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Translation of the Russian-language monthly journal SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA published in Moscow by the Institute of U.S. and Canadian Studies, USSR Academy of Sciences.

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ON THE EVE OF THE MADRID CONFERENCE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 3-13

[Article by A. S. Yefimov and N. R. Yur'yev]

[Text] The significance of the second meeting of representatives of the states participating in the Conference on Security and Cooperation in Europe, which is to begin on 11 November 1980 in Madrid, is increasing in the present atmosphere of international complications. Preparatory work has been going on in Madrid since 9 September to work out the conference agenda and to settle several organizational and procedural matters.

It has been 5 years since the Conference on Security and Cooperation in Europe ended and the Final Act was signed in Helsinki by the heads of 33 European countries, the United States and Canada. It took 7 years to come to a hard-won agreement on its convening, and for 3 years the most experienced diplomats and experts on the most diverse matters from 35 countries formulated this charter of peace and cooperation in Europe line by line.

The results of the Conference on Security and Cooperation in Europe constituted an event of historic significance. The territorial and political realities that had taken shape as a result of World War II and postwar development were confirmed on a multilateral basis, and a code of intergovernmental relations was worked out in accordance with the requirements of peaceful coexistence. The results of the conference represent a broad and precise platform for the further consolidation of peace and security and the development of mutually beneficial cooperation in economics, culture and other spheres in Europe, intended to serve as a guide for many years into the future.

The development of bilateral relations between European states rose to a higher level, various forms of relations and contacts on different levels were augmented, and commodity exchange between these states grew considerably. All of this guarantees their interest in maintaining mutually beneficial normal relations, establishes a definite counterbalance to the effect of temporary fluctuations in world politics on these relations and allows the Western European countries to play a more significant constructive role in international relations as a whole.

The United States tried to use the Belgrade meeting of representatives of the states participating in the Conference on Security and Cooperation in Europe 2 years ago to escalate tension. This impeded the adoption of practical decisions

on problems in the development of cooperation, but the meeting nonetheless reaffirmed the line of detente, of compliance with the provisions of the Final Act and of the continuation of the process begun in Helsinki. A more businesslike atmosphere prevailed at conferences of experts on cooperation in the Mediterranean zone in the economic, scientific, technical and cultural spheres, as well as on the peaceful settlement of disputes, the science forum of representatives of countries participating in the conference, and the summit-level conference on the environment. They played their part in promoting all-European cooperation.

The Soviet Union and the fraternal socialist countries are in the forefront of the struggle to deepen detente, to implement the Helsinki agreements and to accomplish real steps toward military detente and disarmament in Europe. Their constructive line is leading to the implementation of Lenin's principles of peaceful coexistence by states belonging to different social systems and to the establishment of new progressive forms of cooperation between states. In light of this, L. I. Brezhnev's appraisal of the Final Act as an international document comparable to the UN Charter in the sense that it is simplifying human civilization's move to new, higher levels in international relations, is of profound historic significance. "This is why the day the Final Act was signed," L. I. Brezhnev said, "could be called 'Europe Day,' just as the people of other continents have their own memorable dates."1

Europe has reached a point at which its further progression toward the consolidation of peace depends largely on the outcome of current discussions of the urgent issue of military detente. In connection with this, the institution of practical measures to promote the cause of disarmament is of primary importance. At the turn of the decade, however, certain steps were taken on the instructions of the United States and the NATO bloc to augment military spending and to escalate the arms race in an attempt to secure the bloc's military superiority to the Warsaw Pact countries. In 1976 the development of new weapon systems, including cruise missiles, for the purpose of deploying them in Western Europe was considered in the United States. By the beginning of 1977 the United States had already begun to design the cruise missile. A propaganda campaign was launched in the West to suggest that NATO was "lagging behind" in the area of weapons and that the balance of power in Europe had "shifted."

The Soviet Union and all of the Warsaw Pact countries appealed to the members of the North Atlantic bloc to avoid taking any actions that would complicate the situation in Europe and requested them to quickly begin negotiations regarding medium-range nuclear weapons.

In response to the peaceful initiatives of the Soviet Union and the Warsaw Pact countries, however, the United States convinced its allies to agree to a decision, at a NATO Council session in December 1979, regarding the deployment of new medium-range nuclear missiles in Western Europe and the intensification of long-range armament programs.

The implementation of this NATO decision is increasing the risk of nuclear war in Europe and the possibility of the deliberate or accidental use of weapons of mass destruction in the European "theater of military operations." France's LE MONDE DIPLOMATIQUE (December 1979) had the following to say about NATO's approval of the plans to deploy American medium-range missiles in Western Europe: "This increased

Europe's significance as a theater of military operations, heightened the risk of war and intensified feelings (in Europeans) of insecurity." The step taken by NATO on the initiative of the United States is intended to subvert detente and aggravate relations between European states. As the press pointed out, it will revive apprehension and suspicion in the European countries with respect to the intentions of the FRG.[2]

The deployment of new American nuclear missiles within the territory of several NATO members would strike a severe blow at efforts to restrict and stop the arms race, and it "would put the very bases of SALT," as many experts in the West have pointed out, "in question."[3]

This is where the present line of the Carter Administration could lead. This line is inconsistent with the talks on the limitation of strategic and other weapons; this line is contrary to the interests of the security of all people, including the Americans. Sensible U.S. officials realize this. "The prevention of nuclear war has become our main objective. It is in our national interest and in our common interests with the Soviet Union and all other countries,"[4] wrote Senator G. McGovern, for example.

The recklessness of the NATO strategists, leading to the further escalation of the arms race, is also reflected in the negative effect of increased military spending on the already acute conflicts within the capitalist world, if for no other reason than the fact that the arms race is intensifying the energy and raw material crises and escalating inflation.

In essence, the same forces that want to turn Western Europe into a bridgehead for "local" nuclear war and are prepared to gamble the destiny of the European people for their own selfish purposes, particularly in the interests of the election campaign, also want to disrupt the entire process begun by the Conference on Security and Cooperation in Europe. By taking on this unseemly role of a Herostratus, the U.S. Administration is trying to undermine almost all of the Helsinki agreements, from adherence to principles to cooperation in the humanities and other fields. By breaking its international promises and canceling out all of the treaties and agreements it has signed, Washington is actually striking a blow at the international legal system established in Europe as a result of many years of effort by the states participating in the all-Europe conference. What is more, in addition to aggravating Soviet-American relations, Washington is trying to wreck the Western European countries' relations with the Soviet Union.

To cover up its extremely irresponsible behavior, the Carter Administration has tried to divert the attention of the world public away from the actual main causes of the falling temperature of the international climate--the escalation of the arms race, NATO's decision on the deployment of new U.S. nuclear weapons in Western Europe, U.S. military preparations in the Persian Gulf and the Indian Ocean and the construction of the Washington-Beijing-Tokyo axis. The events in Afghanistan and around it are being blown up to global proportions and, what is more, they are being depicted in an absolutely distorted form and have been given a false interpretation.

In contrast to some strata of the U.S. voting public with insufficient knowledge of foreign politics and diplomacy, however, the European people had to attend the rigorous school of life when they experienced all the horrors of the two world

wars. They have also experienced the beneficial effects of the policy of detente and peaceful coexistence. The European countries have obtained substantial and extremely tangible benefits from detente and from the development of the process of all-European cooperation. They have practical incentives to fulfill the Helsinki agreements in the political, economic and cultural spheres. The leaders of France and the FRG have ignored the harsh cries coming from Washington and have firmly resolved to continue the dialog with the Soviet Union. French President V. Giscard d'Estaing met with General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev in Warsaw, and FRG Chancellor H. Schmidt spoke with him in Moscow. It is indicative that Giscard d'Estaing said on 26 June that in the current atmosphere of international complications, France reserves the right to conduct its own analysis and make proposals both to its partners and allies and to others.

The French (particularly during A. A. Gromyko's visit to France) and the West German leaders, especially when H. Schmidt came to Moscow, have announced their determination to contribute to the successful outcome of the Madrid meeting. Their position is shared by the majority of other Western European states, including NATO members.

Recent events have shown that more and more Western European states are dissociating themselves from Washington's line of "psychological warfare" against the Soviet Union and the other Warsaw Pact countries. The realization is growing that the events in Afghanistan were used by Washington simply as a pretext for an extensive attack on all of the positive results of detente.

In connection with this, more and more Western Europeans are emphatically denouncing the concept of the "indivisibility" of detente in the interpretation of Z. Brzezinski and his followers, in accordance with which the objective of extending detente in Europe to other parts of the world should be replaced by its opposite: the extension to Europe of the climate resulting from international conflicts outside Europe--conflicts in the Middle East, for example. Refuting this concept of the "indivisibility" of peace and detente, SPD Federal Secretary E. Barr said in a QUICK magaine interview in February 1980: "Naturally, it is in the Europeans' own interest to keep a conflict from spreading to Europe. I think this is also in the American interest."

In counterbalance to Washington, which has begun to restrict and break off contacts with the Soviet Union, the Western European countries have favored the continuation of the dialog with the socialist countries for the purpose of broader cooperation in the spirit of the Final Act and the regulation of conflicts by means of peaceful negotiations. The United States' allies do not intend to automatically follow Washington's orders and sacrifice their own interests, many of which depend on the continuation of detente. These views have not been shaken by the overseas propagandists' statements about some kind of "Moscow intrigues" or allegations that Moscow wants to "eject" the United States from Europe, "start fights" between the United States and its Western European allies, and so forth.

The Soviet Union does not have, and has never had, any such intentions. It has always favored cooperation with all states in the interests of stronger peace and the development of mutually beneficial economic ties. Ample proof of this can be found in the USSR's cooperation with the United States, England and France in the

settlement of the West Berlin problem, and the constructive contacts between Soviet and U.S. representatives who reached mutually acceptable agreements during the all-Europe conference in Geneva. These and other examples only confirm that detente in Europe is just as necessary to the Western states, including the United States, as to the Soviet Union and other socialist countries. There is no reasonable alternative to continued detente.

In light of present international realities, the impossible dreams of "American leadership of the world" and of the "messianic role" of the United States seem to be obvious anachronisms. Some people in the United States, however, are incapable of understanding this and they are still living in a world of illusions. This is attested to by Washington's attempts to arbitrarily assume the "right" to control the behavior of other sovereign states, particularly in the area of compliance with the Final Act. Washington's plans to turn the Madrid meeting of representatives of the states participating in the all-Europe conference into something like an "inspection committee" or "supreme court" to judge the actions of states would be tantamount to a subversion of the multilateral process of detente.

Past experience has already provided ample conclusive proof that such attempts to interfere in the internal affairs of other countries, concealed by demagogic statements about the desire to "defend human rights," injure detente and impede the development of the multilateral process begun in Helsinki. As Canada's INTERNATIONAL PERSPECTIVES magazine reported as early as summer 1978, the anti-Soviet commotion in the United States, camouflaged by the "human rights defense" campaign, poisoned the national climate to such an extent that there is opposition to SALT II in the Senate. "Instead of using detente to promote human rights," the magazine said in reference to the persons conducting this campaign, "they have exploited the human rights issue to undermine East-West detente."[5]

Judging by U.S. congressional materials, particularly the contents of a State Department report on human rights practices in various countries, which was submitted to the House Committee on International Relations and the Senate Committee on Foreign Relations, and the report to the U.S. Congress by the so-called Commission on Security and Cooperation in Europe on the fulfillment of the Final Act between December 1979 and May 1980,[6] there are plans afoot in the United States to use the Madrid conference as a means of intensifying "psychological warfare" against the socialist countries. These reports also testify to the presence of a desire in some U.S. circles to unilaterally assume the "right" of a supreme judge over all other states in the world in regard to the observance of the constitutional rights of their citizens. Apparently, the desire of the authors of these reports to play the role of "world leaders" prevails over their understanding of current reality.

At the same time, although the United States has assumed the "right" to supervise the fulfillment of the Helsinki agreements by other states, it has recently led an essentially frontal attack on the letter and spirit of the Final Act. Evidence of this can be seen in its escalation of the arms race, its undeclared war on Afghanistan, its aggressive treatment of Iran, its encouragement of the peace-endangering provocations of the Beijing leaders, and so forth. American foreign policy leaders are also trying to "twist the arms" of their NATO allies, giving them moral admonitions about the kind of foreign and domestic policy they should be conducting.

The press regularly publishes articles about flagrant mass violations of basic human rights in the United States. Women are still being subjected to discrimination in this country on "legal" grounds. The constitutional amendment on their equality has been resisted for more than 10 years now, and as the NEW YORK TIMES recently commented, "the prospects for its ratification are gloomy."[7] The U.S. special services are helping to suppress human rights in other countries and are interfering in their internal affairs. Dictatorial regimes in South Korea, El Salvador, Chile, Haiti and Guatemala, and the Israeli and South African aggressors, who murder civilians, enjoy the overt and covert support of Washington. It would take much more voluminous publications than the congressional reports mentioned above to list all of the cases in which human rights and basic freedoms have been violated by the U.S. authorities.

The introduction of the means and methods of "psychological warfare" into international relations signifies a desire to complicate and undermine the process of detente. This also undermines the very principle of respect for human rights and the procedure of its implementation, as defined in international agreements on human rights.

The socialist countries resolutely condemn the dangerous tendencies in the policy of imperialist circles, connected with interference in the internal affairs of other states and the attempted subversion of international cooperation. As for human rights, these countries have proposed constructive international cooperation in guaranteeing these rights. As the bearers of genuine rights and freedoms for working people, democracy for the masses and the all-round development of the individual, free of exploitation, the socialist countries are holding aloft the banner of human rights and freedoms in the international arena and are energetically participating in the elaboration and adoption of major international pacts and agreements in the area of human rights.

The U.S. Administration is also violating the provisions of the Final Act regarding various spheres of cooperation, including the humanities. It boycotted the summer Olympics in Moscow, restricted contacts for the development of scientific and cultural relations, tolerates the creation of a hostile atmosphere for the activities of Soviet establishments in the United States, is preventing the development of Soviet-American contacts between labor activists, and so forth. The United States is violating the provisions of the Final Act on the reunification of families. In particular, persons of Jewish origin in the USSR are being sent fictitious invitations from nonexistent relatives. When they arrive in the United States, these people find themselves living in poverty. When they express the wish to return to the Soviet Union because they are disillusioned with the realities of American life, they are actually persecuted: They are fired from their jobs, lose their homes, are separated from their children and are subjected to other kinds of humiliations and insults, even to the point of their forced confinement in mental hospitals.

In violation of the corresponding provisions of the Final Act, the American side is restricting cooperation in the spheres of information, culture and education. The U.S. Government postponed the opening of the Hermitage exhibit in its country (according to an agreement, it was supposed to open in May 1980) on the ridiculous grounds that this cultural undertaking would be "contrary to the interests of the United States."

An attempt has also been made in the United States and some other Western countries to arbitrarily interpret the Helsinki agreements on cooperation in the humanities and other areas on the level of some kind of "free exchange of ideas, information and people." In fact, there is nothing like this in the Final Act of the Conference on Security and Cooperation in Europe. According to its provisions, cooperation between states in the areas of culture, information and contacts is not supposed to take the form of the "free flow" of ideas and people, but is to take place on the basis of agreed upon principles and for the purpose of strengthening peace and mutual understanding between people and promoting the spiritual enrichment of the individual. In this connection, it should be noted that the line of the Carter Administration and some other NATO governments of boycotting the 22d Olympics in Moscow is not only a direct contradiction of the Helsinki agreements but it also completely buried the propaganda myth about the West's desire to guarantee the "free flow of ideas, people and information." It was no one else but these governments who closed the door, and from the inside at that, to keep their athletes and tourists in.

Detente presupposes broader cultural ties, more contacts between people and the exchange of information. But we must remember the specific content and purpose of the agreement of the all-Europe conference participants. They agreed on steps to strengthen mutual trust and mutual understanding for the purpose of stronger peace and the development of mutually beneficial cooperation.

The Soviet Union did not agree to assist in actions intended to injure socialism. The related plans of reactionary circles have no connection with the Final Act. "We are open to everything honest and upright," L. I. Brezhnev said, "and we are willing to thoroughly augment contacts with the aid of the favorable conditions created by detente. But our doors will always be closed to publications which propagandize war, violence, racism and misanthropy. In particular, they will be closed to the emissaries of foreign secret services and the emigre anti-Soviet organizations they have established."[8]

President Carter's latest speeches, including the statements he made when he was interviewed in Madrid in June 1980, testify that some people in the United States are not reluctant to stage a repetition of the negative experience of the Belgrade meeting in Madrid--that is, to use this all-European forum to spread hostile propaganda against the socialist countries and to justify the continuation of the arms race.

The behavior of the U.S. delegation in Madrid will indicate which tendency has prevailed--the tendency of continuing the multilateral process of detente, which began in Helsinki, or the tendency of subverting this process. The answer to this question will naturally depend largely on the stand taken by the Western European countries: They can either follow the lead of the overseas opponents of detente or make an effort to bring about U.S. acceptance of detente.

We can definitely say that Europe and the world in general are now at a crossroads: The choices are the further exacerbation of confrontations and the intensification of the danger of war or the promotion of detente and the development of cooperation.

Prudence demands that a persistent and insistent search be made for ways of eradicating the accumulated tension of recent years. The approaches to the resolution

of problems of war and peace are not all the same. They include bilateral contacts between leaders of states, negotiations in various forums, and the display of mutual restraint in actual behavior. They also include the continuation of the multilateral process which began with the Conference on Security and Cooperation in Europe.

What will the Madrid meeting become--a milestone in the strengthening of detente and peace or a step backward to the cold war? The preparations for the Madrid meeting have acquired cardinal significance in European politics in recent months. An important question is being discussed: What should the emphasis be in Madrid--mutual complaints about the way in which the Helsinki agreements are being carried out, or the adoption of specific decisions regarding the essential conditions for the fulfillment of these agreements at the present time? The Soviet Union's answer to this question is cogent and precise: It should not be unproductive argument and confrontation, but a businesslike and constructive discussion in the interests of cooperation.

The Soviet Union has repeatedly expressed that it assigns great significance to this forum and is willing to do everything within its power to ensure that it takes place in a businesslike and constructive atmosphere. It should not be an arena for confrontations, where the heads of delegations "act up for the press"; it should be a serious conference of diplomats with a single purpose--to find concrete practical answers to questions connected with security and cooperation. This is the general line of all the Warsaw Pact states, and it has been clearly and precisely expressed in the decisions of the Political Consultative Committee and at the conference of the Committee of Foreign Ministers of the Warsaw Pact states.

The Warsaw Pact countries regard the Final Act as an integral whole and as a long-range program of action. For this reason, during each stage of all-European cooperation, it would be expedient to select the most important and most urgent questions of interest to all participants and to concentrate on their resolution. It does not matter if there are only a few such questions, two or three in each section of the Final Act, but they must be extremely meaningful and they must pertain to the resolution of pressing problems for today's Europe. It goes without saying that uniform progress must be made in regard to all sections of the Final Act.

This constructive concept of the Madrid meeting is winning increasing approval. Unfortunately, however, not all of the conference participants agree with this view. Some people in the United States are not concealing the fact that their main goal at the Madrid meeting, just as in Belgrade, will be "psychological warfare" over the events in Afghanistan and over "human rights" in the American interpretation. But will Europe put up with another attempt to subvert the line of detente?

The line of the United States and the NATO leadership in regard to the Madrid meeting was most fully expressed in the decisions of the June session of this bloc's council in Ankara. The Western press remarked that U.S. representatives at this session objected to the intention of other bloc members to consent at the Madrid meeting to a proposal of a conference on military detente and disarmament in Europe. The American side frankly underscored the fact that the organization of this kind of conference would thwart the U.S. Administration's hope of convincing the American public to "support a broad rearmament program" and of using anti-Soviet

propaganda for campaign purposes.[9] The Ankara communique of the foreign ministers of this organization contains a statement, just short of an ultimatum, that in Madrid the NATO countries must raise the question of the situation in Afghanistan in the context of the principles of the Final Act.

But the Final Act does not contain any statements prohibiting the conclusion of agreements on the assistance of one state by another to ensure its security, independence and territorial integrity. Moreover, as frankly stated in one of the provisions agreed upon in Helsinki, about the principle of the sovereign equality of states, the assistance of a state in accordance with a treaty and at its request to repulse outside aggression is completely correct from the standpoint of international law, the UN Charter and the Final Act. For this reason the abovementioned statement in the NATO Council communique can only be interpreted as the intention to complicate the Madrid meeting by bringing up provocative questions completely unconnected with the purpose of the meeting.

If this course is taken, many complex questions pertaining to current international affairs could be raised in Madrid. Just a short list of examples could include the U.S. occupation of part of Cuba's territory against the wishes of the Cuban people, the repressive actions of England in Northern Ireland, the American naval fleet in the Persian Gulf zone, the American troop landing in Iran, and many others. In no way are such actions in keeping with the provisions of the Final Act in reference to sovereignty, the observance of territorial integrity, and nonaggression.

The United States and some of the NATO countries want to raise the question of "human rights," just as they did in Belgrade. The Soviet Union and the other socialist countries are not afraid of arguments and are prepared for them. But the purpose of the Madrid meeting is not verbal harangues, but the businesslike discussion of matters of general interest. The participants of the all-European conference should value the unique and original system of all-European cooperation.

The conference in Helsinki laid the basis for the guaranteed security of Europe in the political sense by settling cardinal issues. The settlement of military aspects of security was also planned there. Now the chief security issue in Europe is the problem of military detente--the cessation of the arms race, the consolidation of stability in Europe and the enhancement of mutual trust. In this context, a declaration of the Warsaw Pact states points out, it is of primary significance to determine ways of increasing trust, renounce the use of force or threats of force, limit the armed forces of each state or group of states exclusively to defense needs and renounce attempts to achieve military superiority. "Progress in military detente in Europe," the declaration states, "is an objective and most urgent need."[10]

The Soviet Union and the other fraternal socialist countries have proposed an integral and comprehensive program for military detente. Its basic elements are the following: the conclusion of a treaty by the states participating in the all-European conference on no first use of nuclear or conventional weapons against one another; the conclusion of an agreement that, beginning with a specific agreed upon date, no state or group of states in Europe will increase the size of its armed forces within the region specified in the Final Act; the improvement of the steps toward mutual trust defined in Helsinki (a reduction from 25,000 to 20,000 in the number of persons taking part in troop exercises, the announcement of such

exercises 30 days in advance instead of 21, the improvement of working conditions for observers of exercises); additional information about troop movements in the region specified in the Final Act and about naval and air force training maneuvers; the establishment of a ceiling of 40,000-50,000 for participants in armed forces training exercises; the conclusion of an agreement that the nuclear powers will never use nuclear weapons against European states which do not possess such weapons, whether they are members of military alliances or not; agreements on steps toward military detente in other parts of Europe and in the Mediterranean.

The implementation of these proposals in conjunction with the political measures planned in Helsinki would strengthen the basis for security and peace in Europe. Under these conditions, no one would have any reason to build up military strength. On the contrary, the tangible prerequisites would exist for the considerable reduction of armed forces and arms in Europe.

The Warsaw Pact states proposed that a conference on military detente and disarmament in Europe be convened for the discussion of aspects of military detente. Many have responded to this proposal with great approval, realizing that this is the right initiative at the right time.

Finland, France and Sweden have also made proposals in reference to military detente and a conference on the military aspects of security.

Therefore, it is obvious that the subject of military detente will be given the proper, and probably the primary, attention in Madrid. The majority of states believe that the development of the confidence-instilling measures defined in Helsinki could be further clarified in Madrid. But the chief consideration is that a decision could be adopted (or a motion be passed) in Madrid regarding the convening of a conference on military detente and disarmament. In the view of the Warsaw Pact states, it would be best to conduct this conference by stages.

During the first stage, it would be best to concentrate on the elaboration of new ways of instilling trust to supplement those defined earlier in Helsinki; but, of course, only on the understanding that these steps will lead to disarmament and that questions of real disarmament will be discussed in earnest at a subsequent conference. This way of thinking is in the interest of many conference participants, especially the Europeans. Naturally, the countries could have different views on the nature of the conference and on the specific measures to instill trust. However, as participants in the Warsaw conference of the Warsaw Pact Political Consultative Committee pointed out, "there are not and cannot be any insurmountable difficulties in finding practical solutions in favor of military detente in Europe if all sides approach the matter with a desire to make a constructive contribution to this end."[11]

The second area in which mutually beneficial decisions can be made in Madrid is economics. The approach of the Soviet Union and other Warsaw Pact countries to economic matters is quite clear-cut. It will be necessary, first of all, to eliminate all of the obstacles that have artificially been heaped up in recent years, primarily by the United States, in the way of economic cooperation, and to comply with all previously concluded contracts and agreements; secondly, it will be necessary to make advances in all of the plans and ideas set forth in the Final Act. This will involve the further organization of cooperation in the economic, scientific and technical spheres.

These questions cover an extremely broad field of activity. The most prominent place should be given to cooperation in power engineering, which is of extreme importance to all of Europe. In connection with this, the work of convening an all-European conference on power engineering should be advanced. It is extremely important to carry out specific projects in the area of scientific and technical cooperation and to decide on the convening of a second science forum. The problem of commercial information exchange and practical cooperation between firms also deserves careful consideration.

In Belgrade a number of concrete proposals were made in regard to economic matters. Most of them met with approval in the Soviet Union and were not adopted in Belgrade solely as a result of the general obstructionist position of the United States. The discussion of these matters in a businesslike and constructive manner could also be one of the items on the agenda.

The Madrid meeting could also pronounce its verdict on the further intensification of cooperation in the humanities--culture, education, information and contacts. Much has already been accomplished in all of these areas in the 5 years since Helsinki. Cultural ties have been broadened, much has been done for the spiritual enrichment of the people of the continent, and contacts have increased on all levels. But the avenues for serious advancement are far from exhausted. Above all, this will require the United States and some other countries to refrain from the vicious practice of curtailing contacts on one pretext or another.

Practical steps could be taken in Madrid, in line with the Final Act, to intensify cooperation in education, the exchange of views on the improvement of history and geography textbooks, the development of contacts between young people, the organization of large-scale cultural undertakings of an all-European nature, the improvement of journalistic activity, the simplification of contacts between individuals, and so forth.

In spite of many difficulties and interruptions in the process of detente, it is still the leading tendency of our era. The all-European process begun in Helsinki is still going on, and there is every reason to believe that Madrid will become an important milestone in the consolidation of security and cooperation in Europe. Tangible prerequisites exist for the augmentation of all the positive gains of the 1970's and for serious advancement in the guarantee of peace in Europe in the 1980's.

In response to the questions of PRAVDA editors, L. I. Brezhnev made the following remark on 30 July 1980: "Our most immediate objective now is the constructive organization of the Madrid meeting of representatives of states participating in the all-European conference, the completion of the meeting with meaningful results and the guarantee of a conference on military detente and disarmament in Europe. The Soviet Union is prepared to make a fitting contribution to the work of both these forums."

In the decree "On the International Situation and the Foreign Policy of the Soviet Union" of 23 June, a CPSU Central Committee plenum ordered the Politburo of the CPSU Central Committee to "steadily adhere to the line of the 24th and 25th CPSU congresses of thoroughly strengthening the fraternal alliance of socialist states, supporting the just struggle of people for freedom, independence and peaceful

coexistence, curbing the arms race and preserving and developing international detente and mutually beneficial cooperation in the economic, scientific and cultural spheres."[12] Therefore, the Soviet Union and the Warsaw Pact states are going to Madrid with an extensive and businesslike program for cooperation in the political, military, economic and cultural spheres. It is obvious, however, that this kind of program can only be adopted if all of the states participating in the Madrid meeting approach the resolution of problems constructively.

FOOTNOTES

1. PRAVDA, 30 July 1980.
2. FOREIGN AFFAIRS, No 3, 1979, p 588.
3. POLITIQUE ETRANGERE, No 2, 1979, p 261.
4. ATLANTIC, June 1980, p 48.
5. INTERNATIONAL PERSPECTIVES, July-August 1978, p 15.
6. See "Country Reports on Human Rights Practices," Report Submitted to the Committee on Foreign Affairs, U.S. House of Representatives, and Committee on Foreign Relations, U.S. Senate, by the Department of State, Wash., 4 February 1980; "The Commission on Security and Cooperation in Europe. Report to the Congress of the United States of America," Wash., 11 August 1980.
7. THE NEW YORK TIMES, 8 June 1980.
8. L. I. Brezhnev, "Leninskim kursom" [Following Lenin's Course], vol 6, Moscow, 1978, p 58.
9. LE MONDE, 28 June 1980; THE NEW YORK TIMES, 15 July 1980.
10. PRAVDA, 16 May 1980.
11. Ibid.
12. Ibid., 24 June 1980.

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THE U.S. ECONOMY IN THE EIGHTIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 14-30

[Article by G. Ye. Skorov]

[Text] In June 1980 an extended meeting of the Academic Council of the U.S. and Canada Institute of the USSR Academy of Sciences was held to discuss the state of the U.S. economy at the beginning of the 1980's. Several scientific reports were presented and discussed at the meeting.

The magazine will begin the publication of a series of articles based on these reports with this article by Deputy Director Georgiy Yefimovich Skorov of the institute.

The last decade was a turning point in the development of world capitalism. It was in the 1970's that it had its first real confrontation with the problem of energy and raw material resources and serious defects in the mechanism of production and exchange on the national and international levels. The system of state-monopoly regulation, which took shape during World War II and the postwar period, turned out to be incapable of coping with these difficulties. The rates of economic development slowed down considerably in the main capitalist states.

The economic difficulties took on the largest proportions in the United States, the leading capitalist country. What we are seeing there today is the further development of the pronounced conflicts and disparities which first became apparent in the U.S. economy in the 1970's.

Economic Crisis

The most important feature of the present state of the U.S. economy is the beginning of another economic crisis, the seventh of the postwar period. It followed a few years of sluggish, unsteady and intermittent recovery after the economic crisis of 1973-1975 and a depression, some of the after-effects of which are still present in the economy.

The general index of industrial production in the nation has been declining since February 1980 (see the first graph in the article), and in the second quarter the second reduction, and the most dramatic one of the entire postwar period, of the physical GNP took place--9.1 percent below the first quarter in annual terms[1] (see

Table 1). We do not have the final data for the third quarter as yet, but the monthly statistics indicate that the GNP is still decreasing, although more slowly than before. In addition to production cuts in many branches, industry has also had to face other characteristic signs of crisis--a decrease in the consumer goods sales volume, a decrease in new equipment orders, mass lay-offs of blue- and white-collar workers, increased unemployment, and serious disruptions in the functioning of the circulation sphere.

Table 1

GNP Growth, % of Previous Year's Level*

1976	1977	1978	1979	1980	
				1st quarter**	2d quarter**
5.9	5.3	4.4	2.3	0.9***	-2.0***

* In 1972 prices.
** In percentage of previous quarter's level.
*** Preliminary data.

Calculated according to: "Economic Report of the President, January 1980," Wash., 1980, p 204; FINANCIAL TIMES, 14 April 1980; 26 June 1980.

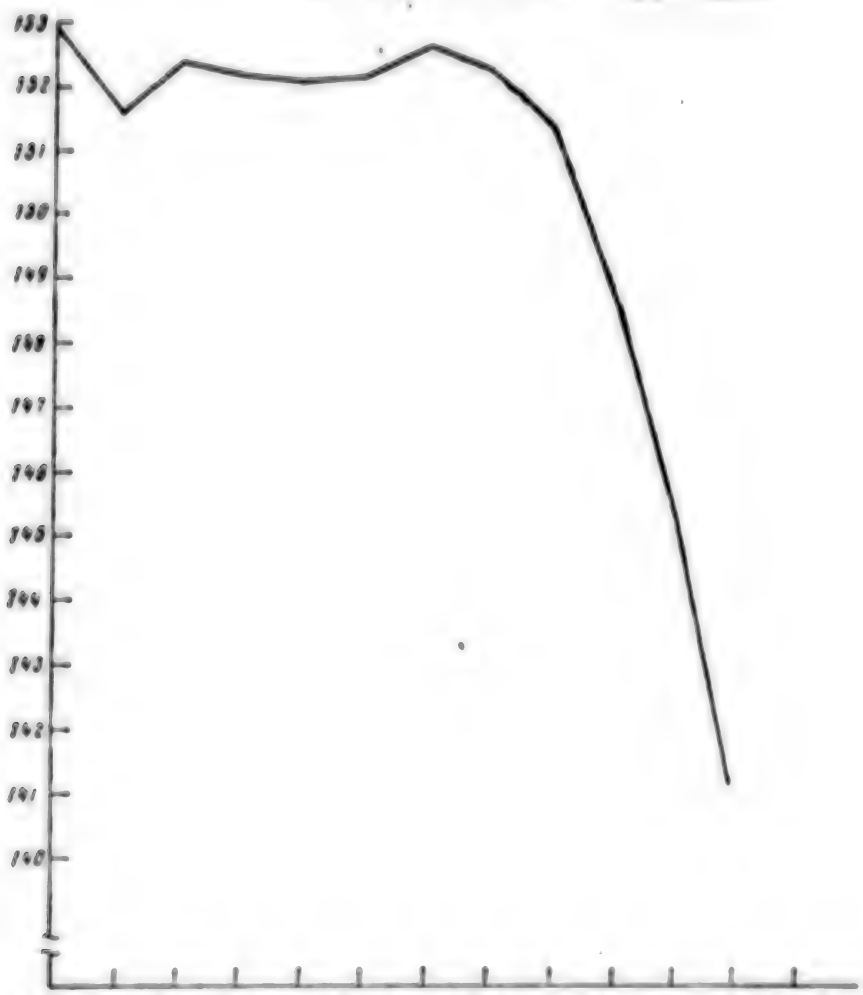
As usual, this crisis is developing unevenly. It struck first and most severely at such major branches as the automotive industry, housing construction and the steel industry. The motor vehicle sales volume in the middle of 1980 was 40 percent below the figure for the same period last year. New residential construction had fallen to almost half of the December 1979 level. This year's indicator is expected to be the lowest since 1946. Many enterprises in the steel industry closed down. By the end of the second quarter, 43 of 106 blast furnaces had been extinguished, and the total load of steel industry capacities fell to 50 percent--that is, lower than the lowest recorded level of the 1973-1975 crisis.[2] There were cuts in the production of electrical equipment, rubber items, plastics, construction materials, furniture, electrical appliances and other commodities.

There was a noticeable increase in the number of bankruptcies of industrial, trade and construction companies, especially small and medium-sized firms. In the first quarter of the year, the number of bankrupt small firms was almost 25 percent above the figure for the same period last year. Financial difficulties are even being experienced by such giants of American industry as the Chrysler and Ford companies, the large First Pennsylvania and Harris commercial banks, and several other monopolies.

The situation in the circulation sphere was particularly unstable and contradictory. In recent months, it was distinguished by the dramatic acceleration of the inflationary rise of prices at the beginning of the year, and then by the slight deceleration of this process; interest rates unprecedented in 20th century U.S. history, followed by the equally rapid reduction of these rates by almost half; a decline of 20 percent in the value of securities quoted in the stock market; an unprecedented rise in the price of gold (to more than 850 dollars an ounce in

January-February 1980 with a subsequent drop to below 500 dollars, and then a new rise); the collapse of the silver market as a result of a speculative boom, which inflicted heavy financial losses on, in particular, the family of oil multi-billionaire Hunt; sharp fluctuations in the exchange rate of the dollar with the maintenance of its general tendency toward decline in international currency markets.

Industrial Production Dynamics
(1967 = 100)*



* Excluding seasonal fluctuations. Data for June estimated in FEDERAL RESERVE BULLETIN, 16 July 1980. THE HANDBOOK OF BASIC ECONOMIC STATISTICS, May 1980, p 79; FINANCIAL TIMES, 17 May 1980; 20 June 1980.

All of this testifies that the United States has entered a period of new economic difficulties.

How serious is this new economic crisis? Until recently the majority of American experts believed that it would not be severe or prolonged. After the data for

April and May 1980 were published, however, the general tone of their comments and forecasts changed dramatically. Many experts now believe that the production decline could continue at least until the end of this year, and could possibly last longer, although it would gradually slow down. Prominent economist and Brookings Institution researcher J. Pechman has predicted that there will be no net increase in the GNP until the end of 1981. Optimists maintain that the total reduction of this indicator during the new crisis will be 3.5-4 percent as opposed to the 5.7 percent of the 1973-1975 crisis. Pessimists, on the other hand, are predicting that this crisis could even surpass the previous one in terms of several parameters (for example, in terms of scales of unemployment) and lead to a total drop of 6 percent in the GNP.[3] Of course, we must remember that these and all other estimates are extremely conditional and strictly tentative.

Table 2

Average Annual Rates of Rise in Labor Productivity, %

	1948-1955	1955-1965	1965-1973	1973-1978	1978 (4th quarter)-1979 (4th quarter)*
Private sector as a whole	2.5	2.4	1.6	0.8	-2.0
Non-agricultural branches	2.4	2.5	1.6	0.9	-2.2

* Absolute decrease in labor productivity, %.

"Economic Report of the President, January 1980," p 85.

It would seem that scientific analysis would indicate at least a few factors with varying effects which will largely determine the state of the U.S. economy in the near future. These are the constant relative overaccumulation of capital in the productive form with the limited overproduction of capital in the commodity form; the continuation of high rates of inflation and a further drop in public purchasing power; the considerable growth of military production; the expectation of the more intensive replacement of fixed capital after the crisis than in the previous cycle; an increase in the overseas investments of American multinational corporations and foreign investments in the United States. There is no question that the nature of the crisis and subsequent recovery will also be affected by several long-range tendencies of a non-cyclical type--a slight reduction in the production accumulation norm (in the 1970's as compared to the 1960's), a decline in the growth rate of labor productivity (the increment has declined from 3 to less than 1 percent, and in 1979 the absolute decrease was 2 percent--see Table 2), and the clear assignment of investment priorities to the replacement of worn fixed capital.

The contradictory nature and effects of these factors and tendencies suggest that the economic crisis of the early 1980's in the United States will be closer in character to ordinary postwar economic crises than to the exceptionally severe and prolonged crisis of 1973-1975. The situation could change, naturally, if production decline in the United States is accompanied by production cuts in the main Western European countries and in Japan, in which case the crisis, just as in the mid-1970's, will seize the entire world capitalist system. Then the capitalist West will find it much more difficult to overcome accumulated conflicts than during

the irregular world cycles characteristic of capitalism in the first postwar decades. Of course, we do not have sufficient grounds as yet to assume that events will take precisely this course. In any case, recovery from the crisis will be slow and sluggish, and the low average rates of economic growth, characteristic of the United States in past decades, will apparently continue far into the 1980's.

Unemployment and Inflation

For a long time, unemployment and inflation in the United States have alternately entered the foreground of economic life, ultimately combining to make up a single problem, called "stagflation" in the West--that is, a combination of low rates of economic growth (stagnation) with inflation and unemployment. In recent years, inflation has officially been declared the "number-one problem" in the American economy. The time has come, however, to recognize mass unemployment as an equally serious problem.

The existence of a permanent reserve labor force, just as the periodic growth of unemployment at times of economic crisis, is nothing new to the U.S. economy. The new elements are the increase in unemployed manpower during periods of recovery and development, a rise in absolute unemployment figures during the phase of the crisis and the extremely slow reduction of unemployment in subsequent cyclical phases. For example, minimum unemployment in the 1950's was 2.9 percent, in the 1960's it was 3.5 percent, in the first half of the 1970's it was 4.9 percent, and in the second half it was 5.8 percent, and this occurred in spite of the increase of 12 million in total jobs between 1970 and 1979. During this decade, for example, in the development phase of spring 1979, unemployment among youth, according to the statistics of the U.S. Department of Labor, reached 19.3 percent on the national scale, and the figure for black youth was 38.8 percent.[4] Unemployment in the United States has never been so massive and steady in the postwar years.

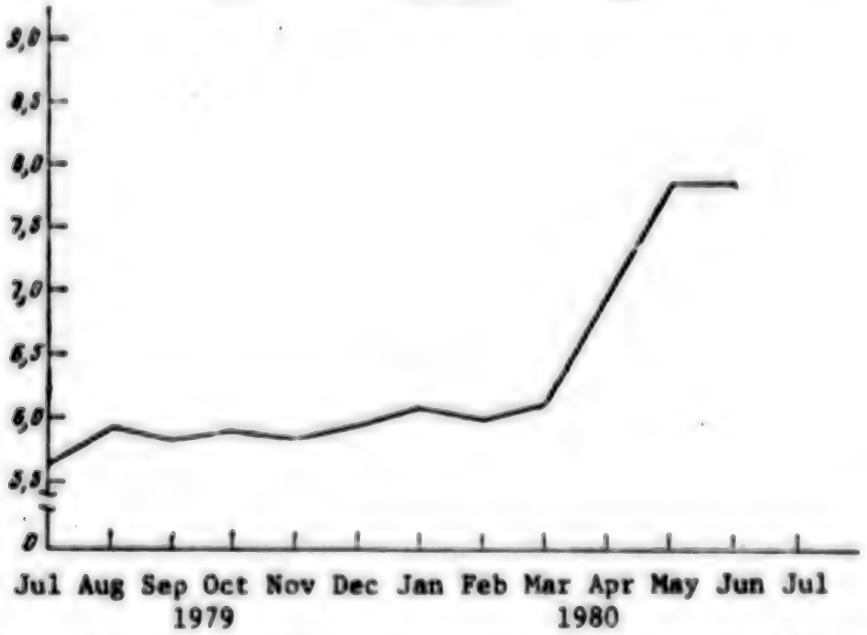
In connection with this, the official definition of full employment was revised. Now employment in the United States is considered "full" if the unemployed segment of the labor force does not exceed 4.8 percent of the total. Just recently the indicator was 3 percent, and then 4 percent. The rise of more than 50 percent in recent years testifies to increasing difficulties in the efficient use of manpower. The impossibility of meeting one of the chief requirements of the 1978 Humphrey-Hawkins Act--on reducing the rate of unemployment to 4 percent--caused President Carter to announce the postponement of the deadline for attaining this goal from 1983 to 1985, as if the problem will be easier to solve 5 years from now.

The beginning of the new economic crisis is being accompanied by a further rapid increase in the army of unemployed individuals (see the second graph). In the first quarter of 1980 the unemployment level rose to 6.2 percent, in the second it rose to 8 percent, and by the beginning of next year it could rise another 1 or 2 percentage points. With a total labor force of over 100 million, each new percentage point signifies another 1 million unemployed. The potential danger posed to the ruling class by 8 million unemployed individuals is self-evident, even in the presence of temporary unemployment compensation. This was reaffirmed by the events of May 1980 in Miami, caused not only by racial discrimination but also by mounting unemployment and the dissatisfaction of the black masses.

When further changes in the labor market in the 1980's are being predicted, two tendencies must be borne in mind: firstly, the probable increase in "technological"

unemployment as a result of scientific and technical progress (it is gradually extending to the service sphere, which was the main reserve for employment growth to date) and, secondly, the reduction of new manpower as a result of natural demographic factors (the disappearance of the after-effects of the postwar "baby boom"). The contradictory effects of these tendencies could temporarily decelerate the growth of chronic unemployment. Even at its present level, however, unemployment is a source of social indignation in the masses and could remain one of the most serious social problems in the United States in coming years.

Unemployment Growth, % of Total Labor Force*



* Excluding seasonal fluctuations. EMPLOYMENT AND EARNINGS, U.S. Department of Labor, Bureau of Labor Statistics, January 1980, p 26; BUSINESS WEEK, 21 July 1980, p 2; TIME, 16 June 1980, p 48.

The problem of inflation is just as acute and will remain so in the foreseeable future. It can be judged just by the change in the consumer price index. In the 1960's the retail prices of consumer goods in the United States rose at an average of 2.8 percent a year, in the 1970's the figure was 6-8 percent, in 1979 it was 13.3 percent, and in 1980 it has been 18.2 percent (first quarter) and 11.4 percent (second quarter) in annual terms.[5] This rate of inflation is generally associated with the breakdown of monetary circulation in the developing countries. In the developed capitalist states, as Table 3 indicates, such rates of inflation in recent years were characteristic of only England and Italy. Nothing of the kind has been seen in the United States in the 20th century. Now, as we can see, the process is overtaking this country as well.

A qualitatively new feature of inflation in the United States is its acquisition of a chronic nature as a built-in element of the mechanism of monopoly pricing. Its underlying causes are rooted in serious breakdowns in the reproduction mechanism, resulting from the very system of state-monopoly regulation, particularly the use of deficit financing as a means of stimulating economic growth, escalating the arms

race, subsidizing the monopolistic elevation of prices and increasing indirect taxation, as well as disparities in the balance of payments. This is why today's inflation cannot be corrected by means of reforms only in the circulation sphere.

Table 3

Average Annual Retail Price Rise in Leading Capitalist Countries, %

	1961-1970	1971-1975	1976	1977	1978	1979	March 1979-March 1980
United States	2.8	6.7	4.8	6.8	9.0	13.3	14.7
Japan	5.8	11.5	10.4	4.8	3.5	5.8	8.0
FRG	2.7	6.1	3.7	3.5	2.5	5.4	5.8
France	4.0	8.8	9.9	9.0	9.7	11.8	13.7
England	4.1	13.0	15.1	12.1	8.4	17.2	21.8*
Italy	3.9	12.2	21.8	14.9	11.9	19.8	21.2*
Canada	2.7	7.4	5.8	9.5	8.4	9.8	9.2*

* January-April 1980.

OECD ECONOMIC OUTLOOK, Paris, December 1979, p 49, "Bank for International Settlements, Fiftieth Annual Report, 1 April 1979-31 March 1980," Basel, 1980, p 11.

What are the consequences of this rate of inflation that has no peacetime precedent? The most important are the following. First, inflation erodes the real income of large segments of the population and lowers the standard of living of workers, particularly people with fixed incomes (pensions, welfare, food assistance and other monetary compensation). In just 1 year (between March 1979 and March 1980) real public income decreased 7.9 percent.[6] Secondly, inflation gives rise to serious disruptions of the process of capital accumulation; the personal savings norm fluctuates (in 1979 it fell to the lowest level of the postwar period in the United States--3.2 percent), discourages long-term investments and undermines credit. Thirdly, it promotes a decline in the exchange rate of the dollar in international currency markets, which has been the case throughout the 1970's. Fourthly, it gives rise to tendencies leading to the general disorganization of economic life as the U.S. economy cannot function normally when prices rise at a rate measured in double-digit figures and when the rise in interest rates on credit is surpassing even the rise in prices by 1 or 2 percentage points.

The Carter Administration has made feverish attempts to alleviate the inflationary pressure and at least curb the rapid rise in prices. For this purpose, it is utilizing all of the means at the bourgeois state's disposal--credit, tax and budget policy maneuvers. In March 1980, for example, the prime interest rate of federal reserve system banks rose to an unprecedented level, which raised the basic rate of large commercial banks to 20 percent, and some rates to even 23-25 percent. At the same time, strict limits were imposed on amounts of credit, and this was preceded by the direct regulation of the amount of money in circulation and so-called voluntary wage and price controls. Indirect taxes rose, cuts in government spending were planned, and an attempt was made to balance, at least on paper, the federal budget for fiscal year 1981.

Although some of these measures to tighten demand slowed down inflation, they did not stop it. At the same time, there is no doubt that they accelerated and intensified the economic slump. Under these conditions, the Carter Administration, which had previously denied the very possibility that it would relax its anti-inflationary course prior to the definite cessation of inflation, had to give up this plan, and in August 1980 it announced new tax deductions for capital investments, postponed the balancing of the budget until some better time in the future and resorted once again to other known methods of stimulating the economy. In short, it resolved to take steps which had already repeatedly escalated inflation.

We cannot say that no one in American ruling and financial circles could foresee the possible consequences of this policy. For example, A. Greenspan, who was the chairman of the Council of Economic Advisers in the Ford Administration, said that "since it takes a long time for federal spending to affect the economy, in the next few months we will actually be laying the bases for policy in 1982 and 1983. If we increase spending now, we will have to deal with an interest rate of 25 percent in 1982 and double-digit inflation in 1983."[7] But a realization of this fact did not and could not change anything. The Republicans proposed essentially the same choice of medicines as the Democrats in their campaign platform, but in different proportions. This is the vicious circle of anti-inflationary and anti-crisis measures which has held U.S. state-monopoly capitalism in its clutches for a long time.

The reason for this is the incompatible, and even completely opposite, goals and consequences of anti-crisis and anti-inflationary measures.[8] The West has long regarded increased government spending as the most effective anti-crisis measure, for example, whereas reduced government spending is the major anti-inflationary means. Another anti-crisis step has always been tax cuts, while anti-inflationary policy is based on a rise in taxes. Finally, the main anti-crisis measures in the area of credit and monetary policy have been the lowering of loan interest rates, a lower bank reserve norm and federal purchases of government bonds. Anti-inflationary policy in this area, on the other hand, presupposes higher interest rates, a rise in minimum bank reserves and the sale of government bonds--that is, steps to limit credit and the amount of money in circulation.

Regardless of the actions that will be taken by the Carter Administration or its successor, one thing is clear: The disruption of the reproduction process in the United States, which state-monopoly regulation has not only failed to correct, but has even intensified to some degree, has gone so far that intensive inflation will apparently remain a tangible factor in U.S. economics in the foreseeable future with all of the ensuing negative consequences. From this standpoint, the opinion of recently deceased former Chairman A. Okun of the Council of Economic Advisers is of interest. He believed that "it will take approximately 10 years and production losses exceeding 1 trillion dollars before monetary and tax restrictions alone bring the economy to a 4-percent rate of inflation."[9]

Inflation has become a permanent element of today's capitalist system. It can gain or lose strength, but it cannot be completely eliminated as long as the factors causing it continue to exist.

Exacerbation of the Energy Problem

The exacerbation of the energy problem is a significant feature of the present state of the U.S. economy. In the most general terms, the problem is essentially that the capitalist world in general and the United States in particular are still unable to overcome the pronounced structural imbalance resulting from the radical changes of the 1970's in the conditions for the provision of the world capitalist economy with energy and the oil "price revolution."

The severity of the energy problem in the United States is the result of several factors, some of which are the following.

Firstly, there is the sharply increased dependence of the American economy on imported oil in recent years (around half of the total consumption volume is now satisfied by foreign sources) and the periodic tension in relations with several oil-exporting countries. The unsettled nature of these relations reduces the reliability of the system for supplying the economies of the United States and other capitalist countries with energy. Despite the 3-month reserve accumulated after the oil embargo of 1973-1974 in the main developed capitalist states, the potential threat of the curtailment of oil shipments by the OPEC countries hangs over the Western economy like a sword of Damocles. The fear of oil hunger has an extremely strong effect on imperialist economic policy and global strategy. The varying degrees of dependence by the United States, the EEC countries and Japan on oil from the OPEC countries are the main reason for differences in their views on Middle East settlement and serve as a source of serious disagreements between them.

The second factor is the constant rise in the world price of oil (it rose approximately five-fold in real terms between 1973 and 1980, including a rise of 90 percent just in 1979),[10] which is the reason for the increasing flow of financial resources from the United States to the oil-exporting countries. Last year these resources totaled 57 billion dollars, and it has been estimated that the figure could increase another 1.5-fold this year, despite the slight reduction in imports of oil.

The third factor is the slower development of nuclear power engineering in recent years as a result of the dramatic increase in the price of fissionable materials and, in particular, the problem of the safety of nuclear reactors. As a consequence of this, the actual output of electric energy in nuclear power plants up to 1980 was only a fraction of the volume anticipated 10-15 years ago.

The fourth factor is the technical and financial difficulties involved in the mass production of synthetic fuel from coal, bituminous gravel and oil shale, as well as the limited use of alternative sources of energy (solar, geothermal, wind, etc.).

The fifth factor is the difficulty of converting a considerable segment of the nation's energy industry from oil to coal in connection with environmental pollution ceilings, the need for corresponding changes in the transportation system and several other problems. This does not cancel the need for a significant increase in the proportion accounted for by coal in the energy balance in the next decade, but it does make this objective almost unattainable.

All of this suggests that the pronounced structural disparity between the rapidly rising demand for energy and the limited possibilities for its satisfaction on the previous technological and resource basis, a disparity which became apparent in the United States in the last quarter of the 20th century, will be impossible to correct in the near and foreseeable future. It will take many years, huge quantities of resources, tremendous efforts, the substantial reorganization of the economy and the creation of new production technology before a satisfactory solution is found for this problem. Evidently, oil will continue to occupy the dominant place in the U.S. energy balance until the end of the century.[11]

Declining Influence in the World Economy

In the early 1950's, when the United States accounted for around half of all capitalist production in the world, the slightest fluctuations in American economic conditions immediately affected the entire world capitalist economy. Now things are different. The main consideration is not even the fact that the U.S. share has decreased to 38-40 percent and that the EEC is now quite close to the leading capitalist country in terms of total GNP. There is no question that America still has the strongest influence in economic affairs in the entire world capitalist system. A new feature, and probably the main one, is that the United States is now much more vulnerable than ever before to the effects of external economic forces. This was one of the most significant changes in the economic position of the United States at the turn of the decade.

Changes in world capitalist production, the international flow of capital and international trade, which are not in the United States' favor and which American state-monopoly capital is incapable of preventing, are having an increasingly serious effect on the reproduction of social capital in the United States. This is partially due to the fact that the relative proportion of foreign trade turnover in the American GNP rose from 4.2-4.3 percent to 9-10 percent in the last two decades. Naturally, it is much lower than in Japan (15-16 percent), the FRG (31-36 percent) or England (32-39 percent). But the absolute dimensions of U.S. foreign trade turnover constitute an impressive sum--400 to 450 billion dollars.[12] This means that the U.S. economy has lost its previous "self-sufficiency," it has become much more "open" and, consequently, it is more vulnerable.

At the same time, the share of the world capitalist market controlled by U.S. monopolies decreased 16 percent in the 1960's and 23 percent in the 1970's. Its share decreased from 66 to 58 percent in the aircraft market, from 28 to 13 percent in the plastics market and from 28 to 15 percent in the pharmaceuticals market. Total U.S. losses as a result of the weakening of its world market positions in the 1970's have been estimated by the American commercial press at 125 billion dollars and at least 2 million jobs within the nation.[13]

When the influential economic journal, BUSINESS WEEK, printed these calculations in the foreword to a series of articles collectively entitled "Breathing Life into the U.S. Economy," it stated that "the United States will have to make radical changes in the economy to preserve the necessary degree of economic viability, not to mention leadership, in the remaining 20 years of this century. Its goal should be nothing short of the reindustrialization of America." Explaining the significance of this goal, the magazine editors go on to say that "a conscious effort to accomplish the radical restoration of American production potential is the only feasible

alternative to the rapid loss of competitive potential in the last 15 years, most clearly reflected in the present wave of plant closures throughout the nation."[14]

The U.S. domestic market has also ceased to be a sphere ruled exclusively by American corporations. To an increasing extent, it is becoming the scene of competition by the international monopolies of many countries and groups--the EEC, Japan, some of the developing states and territories with rapidly growing exports of finished commodities (Singapore, Taiwan, South Korea and Hongkong). In the case of several major investment and consumer commodities, the American monopolies cannot compete with their trade rivals. This applies, in particular, to steel and items made of steel, motor vehicles, ships, color television sets and portable electronic calculators. The situation is particularly acute in the American domestic market for steel, motor vehicles and household electronics. Foreign firms now control 15, 30 and 50 percent respectively of the sales of these commodities in the United States. This is intensifying protectionist tendencies in American foreign trade policy.

However, the noticeable reduction of America's ability to satisfy its own energy and raw material needs in the last 10-15 years is probably an equally important cause of the increasing vulnerability of the U.S. economy. The United States' dependence on imported primary energy resources, according to American military experts, has reached a critical level from the standpoint of "national security." This interpretation of the actual situation contributed a great deal to the intensification of aggressive tendencies in American foreign policy at the turn of the decade, more vigorous interference by the United States in the internal affairs of other countries, particularly in the Near and Middle East and southern Africa, and the reversion to overtly imperialist methods and the use of force in the settlement of international disputes.

An important cause of the deterioration of U.S. international economic positions is the continued decline of the exchange rate of the American dollar in currency markets and the partial loss of its previous role as the main reserve currency in the capitalist world. The exchange rate of the dollar in relation to major currencies declined almost continuously throughout the 1970's and had fallen a total of 29 percent below the 1970 level by 1980.[15] The creation of the European currency system in 1979--a regional currency bloc established as a counterbalance to the United States--struck a severe blow at the dollar's prestige.

At the same time, the declining exchange rate of the dollar is improving conditions for the export of American goods and is increasing the flow of foreign capital into the United States. The dollar is still the chief means of payment in the capitalist world economy, and at least three-fourths of all commercial transactions are still conducted in dollars.

However, the increasing use of SDR ("special drawing rights")--the hypothetical accounting units used within the IMF as a means of payment--and the unprecedented rise in world gold prices, just as the vehement discussions in the West regarding the opening of a "substitution account," in which the fund's members will be able to exchange their surplus dollars for international promissory units like the SDR, testify to mounting doubts about the strength of the American currency and, indirectly, about the international economic policy of the United States in general.

All of these and other factors are heightening the instability of U.S. trade, payment and currency relations with other countries and are the reason for the huge deficits in the U.S. balances of trade and payments in the second half of the 1970's (see Table 4). Judging by all indications, these will extend into the current decade.

Table 4

U.S. Balances of Trade and Payments, in billions of dollars

	1975	1976	1977	1978	1979	1980*
Balance of trade	9.1	-9.3	-30.9	-33.8	-29.5	-46.3
Current operational balance of payments	18.4	4.6	-14.1	-13.5	-0.3	-4.8

* Forecast of UNCTAD Secretariat.

SURVEY OF CURRENT BUSINESS, July 1979; January 1980, p S-1; "World Economic Outlook, 1980-1981," Report by the UNCTAD Secretariat TD/B/783, 11 March 1980, p 15.

Economic Consequences of New Round of the Arms Race

This matter is of great significance when the developmental prospects of the U.S. economy are being assessed.

The line of escalating the arms race stems from the futile ambitions of American ruling circles to achieve military superiority to the Soviet Union. This line, in particular, is reflected in the 5-year program for an average annual increase of 4-5 percent in real terms in military spending.

At present, according to official data, the United States is spending 5.2 percent of its GNP on military needs as compared to the 8-9 percent at the height of the war in Vietnam and over 12 percent during the Korean War.[16] It appears that possibilities for the further augmentation of U.S. military spending are far from exhausted. In accordance with this program, the proportion accounted for by military spending should rise to 6.4 percent by the mid-1980's.[17] Even under present conditions, however, this rate of increase could be far from painless for the American economy, and comparisons to the 1950's or 1960's are not always justified. It would be extremely difficult, if not impossible, to return to the economic, social and political atmosphere of that time.

In the last two decades expenditures on the economic and social infrastructure in the United States have risen dramatically. At the end of the 1970's, 13 percent of the GNP there was spent on energy production and consumption, and 2 percent was spent on conservation measures. Large sums are being spent to renovate public utilities in the cities. Under the influence of extensive public pressure, allocations for education, public health and social welfare were substantially increased. In particular, by the end of the last decade around 7 percent of the GNP in federal budget and public funds was being spent on education, and over 9 percent was being spent on public health. Cuts in these expenditures would not only have serious

negative consequences on the sociopolitical level, but would noticeably injure the interests of U.S. economic development, as this country has already begun to lag behind its competitors in several fields.

Under these conditions, the further growth of military expenditures would necessitate either significant cuts in allocations for social needs--and, in the broader sense, cuts in real personal consumption--or the sharp expansion of deficit financing. In the present atmosphere of runaway inflation, the second alternative is almost unthinkable. As for the first, "belt-tightening" also has its limits. Going beyond these limits would be tantamount to risking upheavals and conflicts of such severity that the recent outbursts of public indignation in Miami would look like child's play in comparison.

In view of all this, the augmentation of military appropriations and the proportion accounted for by them in the GNP would be such a simple undertaking. What is more, these appropriations obviously cannot be substantially increased without the further exacerbation of international affairs and the escalation of war hysteria in the United States. Both are naturally possible, but common sense suggests that this is not in the interest of the United States, not to mention its European allies.

The present growth of military expenditures will certainly have a negative effect on the American economy. The cold war provided quite conclusive proof that although the expansion of production in the military sector of the economy increased the demand for steel, nonferrous metals, electronics, plastic, cement and other products of civilian branches, it could not compensate for production cuts in the civilian sector, much less prevent economic crises. Arms production cannot serve as an effective means of reducing unemployment either, as the manufacture of modern military equipment requires relatively little manpower in comparison to the overwhelming majority of other economic branches.

At the same time, military production immobilizes huge quantities of material resources, removing them completely from the sphere of national consumption. The expansion of military production is tantamount to increased expenditures of national resources and their unproductive use. The intensification of military preparations under the conditions of a continuous rise in the cost of military equipment, as experience has shown, unavoidably increases the budget deficit, and just as unavoidably leads to the further development of inflation and other structural disparities in the economy.

The expanded production of means of destruction is inconsistent with the objective of the structural reorganization of the American economy: Everything that is absorbed by the arms race reduces the potential resources for re-equipping the civilian branches of the economy. In other words, the limited stimulating effect of military production cannot compare to the negative economic and social consequences of the arms race.[18]

The futility of this policy is obvious from another standpoint as well. The United States was unable to prevent the establishment of approximate strategic parity between the two social systems even before, and now it will have even less chance of doing this--now that the scientific, technical and industrial potential of the socialist community has increased immeasurably.

Therefore, from the economic, the political and the military standpoints, it is objectively necessary for the United States to limit the arms race and return to the policy of detente.

Search for Escape from Difficulties

The problems encountered by the United States at the turn of the decade were difficult and serious. Many of them had never arisen in this nation before. The existing economic mechanism is obviously not suited for their resolution. It is not surprising that even representatives of bourgeois economic science began to talk about a crisis in neo-Keynesianism, the inefficiency of existing methods of economic regulation and the need to find a new mechanism of capitalist production control. The most diverse, often diametrically opposed, views have been expressed regarding ways of overcoming the difficulties--from a return to the capitalism of "free competition" to the institution of overall economic "planning."

The criticism of the existing system of state-monopoly regulation both "from the right" and "from the left" is largely justified. It is true that this system has always been distinguished by abnormal bureaucratism, petty regulations, favoritism, corruption and many other defects, but the main thing is its inefficiency. Neither the old nor the new methods of regulation, and not even those that are just now being worked out, can change the nature of capitalist production relations or divert the natural course of its development. At the same time, the assumption that 20th-century American capitalism could function as something like the "free enterprise" system of the 19th century is nothing more than utopian thinking. This is why actual development will certainly take the direction of increased government intervention in economic life rather than the opposite.

Despite the serious exacerbation of conflicts in the U.S. economy, the statement made at the 25th CPSU Congress--that although capitalism in the United States and other countries has been seized by a general crisis and has no future, it still has considerable reserves[19]--still holds true. For example, the United States has the greatest production, scientific and technical potential in the capitalist world, it has a tremendous capacity for adaptation and its superiority in some areas of scientific and technical progress is indisputable. Some spheres of economic activity could serve the United States as a definite means of overcoming difficulties on the condition that a more reasonable policy be conducted.

These spheres include, above all, the structural reorganization of the economy to adapt it to the new world energy situation. One of the central elements of this reorganization would consist in the development and use of new, energy-conserving technology and, in the more distant future, the use of alternative energy sources. In the 1970's the relative energy input of U.S. industrial production declined 8 percent, annual rates of increase in energy consumption in households fell to half their previous level, and the energy consumption of industrial firms decreased 40 percent in some cases (Dow Chemical and IBM). This tendency will apparently continue into the 1980's and will even become more pronounced.

The reduction of the energy requirements of production will necessitate the reorganization of all branches of industry, transportation, construction and municipal public utilities. But the remodeling of motor transport will play a special role. The replacement of 120 million motor vehicles with qualitatively new, compact and

economical models will not only create a huge new market, which will take at least 10 years to reach the saturation point, but will also necessitate the substantial re-equipping of the automotive industry. This, in turn, will provide the engineering, steel and electronic industries and other related production fields with new large orders. In addition, it will necessitate the creation of a synthetic fuel industry, which will require tens of billions of dollars in capital investments, a dramatic increase in coal production and the use of increasing quantities of new and renewable energy sources, including the latest and safest generation of nuclear power plants.

The use of the latest achievements of the technological revolution will also create considerable possibilities. This will also largely determine the U.S. position in the world capitalist economy. The second cybernetic revolution, connected with the use of microcomputers and microprocessors, the development of a fundamentally new system of communications, which will radically transform the old system of postal communications, and the use of more precise laser-based measurement devices and instruments, signifies a new stage in the development of the automation of production and the means of labor. This field of scientific and technical progress is closely related to the further expansion of conservation measures and the establishment of an industry for the means of production of the future (waste-free or low-waste technology, the development of the resources of the world ocean and outer space, and several other fields), which will necessitate the extensive use of the latest technical means and fundamentally new technological methods. The use of these and other new scientific and technical advances could make the mass renovation of fixed productive capital on a qualitatively new technical basis possible in the U.S. economy.

Capital investment requirements for the replacement of obsolete and worn equipment in today's American enterprises have been estimated at 1 trillion dollars,[20] but the total sum of capital investments required for the transition to the new technological order considerably exceeds this estimate. According to one appraisal, total investments in fixed capital in the 1980's could exceed 4.5 trillion dollars (in 1979 prices).[21]

The United States could gain fairly substantial potential opportunities from the reorganization of international division of labor in connection with the plans to establish a "new international economic order." Although this reorganization was first planned in the 1970's, it has not been significantly developed as yet through the fault of the West. The stubborn resistance of the United States to the satisfaction of the just demands of the developing countries, supported by the socialist community, for the reorganization of international economic relations on a democratic basis, will ultimately injure the United States' own national interests. By striving to minimize the objectively necessary reorganization and to preserve the bases of neocolonial exploitation of the young states, American monopolies are sacrificing the long-range interests of broader international economic cooperation on the basis of the principles of equality and mutual advantage for the sake of their own immediate benefit.

The rapid growth of foreign investments in the United States could, according to American economists, have a definite stimulating effect in the next few years. This does not apply to short-term investments ("hot money") or bank deposits and the investments of the oil-producing countries in American government securities,

but to a new phenomenon in the international movement of capital--foreign long-term capital investments in industrial and infrastructural projects in the American economy. By the beginning of the 1980's, these investments totaled around 45-50 billion dollars.[22] A large share of this sum was invested in the pharmaceuticals industry, trade, public catering and the automotive industry. The flow of foreign capital to the United States, which is used, in particular, as a means of bypassing trade barriers, will most likely continue to grow. This provides even more evidence that the United States is still the stronghold of world capitalism.

Certain benefits could also be derived from the closer coordination of the economic policies of the leading capitalist powers for the state-monopoly regulation of the world capitalist economy. Until recently, this regulation was essentially limited to the determination of some international legal standards of economic interaction by countries and the partial coordination of their policies in the areas of trade, currency relations and payments within the framework of intergovernmental organizations (the IMF, IBRD, GATT, OECD, EEC and several others). In the 1970's these forms of Western government policy coordination were supplemented by the engineering of long-range capitalist strategy and policy within the framework of such non-governmental international organizations as the Trilateral Commission, the Club of Rome and others. The regular meetings of the heads of the leading capitalist powers, where recommendations are made regarding the most pressing economic and political issues, could also be included in the list.

Naturally, these international forms of state-monopoly capitalism cannot compare to the mechanism of state-monopoly economic regulation which functions on the national level in some states. But the tendency toward the closer coordination of the actions of separate imperialist nations is a result, on the one hand, of the continued development of the general crisis of capitalism, the competition between the two systems and the increased influence of world socialism and the international workers and national liberation movement and, on the other, of the continued collectivization and internationalization of production and exchange in the world capitalist economy. Of course, this coordination will not eradicate the heated inter-imperialist disagreements between individual groups of nations and the three main centers of contemporary imperialism. It also cannot eradicate the conflicts between imperialism as a whole and the former colonial periphery. Nonetheless, it can simplify the resolution of some problems to a certain degree (for example, the energy problem) and aid in the temporary correction of new difficulties.

Another important potential reserve for U.S. economic growth consists in mutually beneficial, large-scale economic relations with the socialist world. The 1960's and, in particular, the 1970's proved that many industrial capitalist states attach considerable importance to the development of stable economic ties with the socialist countries. They are motivated by the exacerbation of market problems, a desire to alleviate the unemployment problem and the need for uninterrupted supplies of some types of crude resources and other materials. All of these objectives are also important to the United States, but their attainment will require a healthier international climate, a return to the policy of detente and a realization of the irrefutable fact that the limitation of strategic weapons and the move to actual disarmament do not constitute a "one-way street" and that this will not benefit only the socialist countries, but will be in the interest of all states, regardless of their social structure. This truth is slowly being realized even in the United States, where it is laboriously overcoming the resistance of detente's

opponents. This is attested to, in particular, by a recent issue of TIME magazine, wholly devoted to life in the USSR, in which it is stressed that economic considerations dictate "the vital interest of both sides in a return to some form of detente."[23]

In view of the complexity of the present situation and the special responsibility of the United States and the USSR for the future of the world, it is essential that they resume constructive dialog, with other interested countries participating, and that all peace-loving and democratic forces unite for the purpose of eradicating the threat of a new world war and guaranteeing lasting peace.

The United States entered the 1980's with a heavy load of unsolved problems, many of which will unavoidably become even more serious. The inability of state-monopoly capitalism to guarantee crisis-free economic development, prevent the growth of unemployment, curb inflation and overcome profound structural disparities in the economy is now completely obvious. The economic influence of the United States in the world capitalist economy is losing strength, the dollar is losing its significance as the main reserve currency in the capitalist world, and American goods are losing their competitive ability. The difficulty of solving these and other problems in coming years will be compounded by the intention of American ruling circles to escalate the arms race, which poses the danger of thermonuclear catastrophe, is lowering the standard of living of the broad working masses and will lead to the continued exacerbation of the internal and external contradictions of American (and world) capitalism.

Nonetheless, American imperialism still has considerable maneuvering potential. Monopoly capital in the United States still has a firm grip on scientific and technical hegemony in the capitalist world. Relying on its economic and technical potential, the United States could reorganize its economy quicker and at a lower cost than the other capitalist states to adapt it to the changing conditions of the competitive struggle and the new energy and raw material situation in the world. This means that, even in the future, the United States will still have serious means at its disposal to influence international economic and political relations. The question of whether this influence as a whole will be positive or negative will depend largely on the forces which win the upper hand in the political struggle in coming years, particularly in the presidential election of November 1980.

FOOTNOTES

1. FINANCIAL TIMES, 26 June 1980; BUSINESS WEEK, 26 July 1980, p 44.

2. BUSINESS WEEK, 23 June 1980, p 27; TIME, 16 June 1980, p 48; FINANCIAL TIMES, 5 June 1980.

3. TIME, 16 June 1980, p 50; U.S. NEWS AND WORLD REPORT, 23 June 1980, p 26; BUSINESS WEEK, 19 May 1980, p 32.

4. THE ECONOMIST, 12-18 April 1980, pp 16-17.

5. U.S. NEWS AND WORLD REPORT, 23 June 1980, p 27.

6. THE ECONOMIST, 26 April-2 May 1980, p 22.

7. TIME, 16 June 1980, pp 53-54.

8. For more detail, see S. M. Men'shikov, "Inflyatsiya i krizis regulirovaniya ekonomiki" [Inflation and the Crisis in Economic Regulation], Moscow, 1979, pp 319-331.

9. BUSINESS WEEK, March 1980, p 82.

10. FINANCIAL TIMES, 18 December 1979; FORTUNE, 14 July 1980, p 67.

11. For more detail, see "The United States: Energy Problems" in issue No 7 for 1980.

12. "Statistical Abstract of the United States. 1979," p 848; BUSINESS WEEK, 21 July 1980.

13. BUSINESS WEEK, 30 June 1980, p 58.

14. Ibid., pp 56, 59.

15. U.S. NEWS AND WORLD REPORT, 21 January 1980, p 57.

16. BUSINESS WEEK, 14 July 1980, p 11.

17. FORTUNE, 14 January 1980, pp 74-75.

18. For more detail, see V. P. Konobeyev and A. A. Poduzov, "Some of the Economic Consequences of the Arms Race in the United States" in issue No 6 for 1978.

19. "Materialy XXV s"yezda KPSS" [Materials of the 25th CPSU Congress], Moscow, 1976, p 29.

20. NEW YORK TIMES MAGAZINE, 30 December 1979, p 13.

21. FORTUNE, 5 May 1980, p 196.

22. Estimated on the basis of data in "Statistical Abstract of the United States. 1979," p 852.

23. TIME, 23 June 1980, p 29.

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WASHINGTON'S TENSION-BUILDING AND WESTERN EUROPE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 31-42

[Article by Yu. P. Davydov]

[Text] It is becoming increasingly obvious that the Carter Administration was pursuing massive goals, far transcending the bounds of campaign strategy, when it resolved to deteriorate Soviet-American relations. White House foreign policy advisers are basing their calculations on the hope that the curtailment of the detente process and the escalation of tension and the arms race will correct the world balance of power in favor of the United States and will strengthen the weakened global positions of this country. It was inevitable that this line would affect more than just the sphere of Soviet-American relations. It had to affect the nature of American relations with other subjects in the world community, primarily the Western European allies.

Washington officials believe that the United States now has no hope of independently establishing the kind of superior strength, without the active assistance of its allies, that will allow it to have a deciding effect on the course of world events. Moreover, the success or failure of many concrete steps by the American Government in this direction will depend considerably on the stand taken by Western European ruling circles. "For us, the Western alliance is not a luxury and not the sentimental patronage of younger brothers," A. Schlesinger wrote in this connection. "For us it is a dire necessity if we want to implement a global policy. The program of economic sanctions against Iran, for example, will be meaningless if our allies do not support it totally. President Carter's grand plan for the defense of the Persian Gulf has no chance of success if it turns out to be a unilateral American action. We need our allies as much as they need us."[1]

We could even say that, to a certain degree, for the attainment of their international political goals, the U.S. leaders now need the support of Western European ruling circles more than the latter need Washington's support. This dependence is a result of the Washington administration's tendency to set itself ambitious international objectives even though it does not have sufficient resources to attain them, while the Western European ruling circles generally set their foreign policy priorities with a view to real, and not imaginary, national (or regional) capabilities.

Besides this, the leaders of the Western European states realize that Washington, despite the blackmail and threats addressed to these states, will not go so far as

to weaken its close ties to Western Europe or to liquidate its military presence there. And this is not due to concern for its allies, but to concern for its own interests: In American foreign policy calculations, Western Europe is being regarded more and more as a shock absorber. In the event of a crisis, resulting from U.S. actions, Western Europe is supposed to absorb most of the shock--military, economic and political--and thereby deflect it from the United States (this already occurred in 1973, when it was the Western European countries that suffered most from the Arab oil embargo). Whereas Western European ruling circles have regarded the United States during almost the entire postwar period as the most important element of their "security" (in their interpretation of this term), the changing world balance of power has made them increasingly aware that Western Europe is a no less important, and possibly even a more important, component of American "security." But this reassessment, along with the desire of the Western European states to ensure that their "political role in world affairs is consistent with their present economic importance,"[2] is shifting the emphasis in the interdependence of the two centers of the capitalist world by providing the United States' allies with new opportunities.

The present U.S. leadership, however, is demanding more than just the active participation of its allies in the American plans to establish a situation of superior strength. Above all, these leaders want the Western Europeans to recognize Washington's right to leadership within the bounds of the capitalist system; secondly, they want the support and participation of the Western Europeans, whenever the need for them arises, to be total, unconditional and, in some cases, automatic. These demands would only be acceptable to the Western European leaders if they believed that the political, economic and strategic interests of these two centers of the capitalist world were identical and that Washington's policy (of leadership) would serve as the best means of ensuring the fulfillment of Western European wishes. But it is precisely these two premises that are doubted most by the United States' European allies.

Naturally, the general class solidarity of U.S. and Western European ruling circles in opposition to world socialism and the international communist and national liberation movements does exist. It is reflected in the specific joint actions and positions taken by the two centers of the capitalist world. An example of this can be seen in the decisions of the December 1979 and May 1980 NATO Council sessions. There are also general problems in the world capitalist economy which are already impossible to solve merely on the national level. The leading Western powers are trying to solve them at the annual summit meetings that have been a regular feature of the last 5-6 years.

But something else is also true: When the discussion turns to specific aspects of international relations, the problem of the class solidarity of the U.S. and Western European monopolistic bourgeoisie is complicated substantially. This is when other factors begin to take effect--such as the geostrategic locations of different capitalist states, their historical traditions, political structures and resources, the relative strength of their international corporations, the characteristic features of the groups in power at the time, the economic situation in these nations, the level of their relations with the outside world and their degree of dependence on it, the main sources of their international influence, their ability to utilize various foreign policy instruments, and so forth. Differences in the intensity and directions of the influence of these factors ultimately lead

to differences in the approaches of U.S. and Western European ruling circles to the outside world in general and to relations with the states of the socialist community in particular.

Let us consider, for example, the Middle East problem. The United States has a definite interest in its settlement because this region supplies it with approximately one-fifth of the oil it uses, but it views this settlement from the standpoint of reliance on the particular states (Israel and Egypt) that are its clients; the interests of the other parties involved in the conflict and the basic problems giving rise to it, however, are being ignored by the present American leadership. In the final analysis, this is "settlement" by means of attempts to strengthen the position of the United States' partners in this region and to increase the American military and political presence in this zone. In other words, this is settlement by force, which could safeguard American imperialist interests in the Middle East for some time, but, as experience has shown, cannot be a lasting settlement. Moreover, it is giving rise to new complications. By attempting to solve the problem harshly, in the spirit of forceful confrontation, U.S. ruling circles are hoping to obtain everything they need in the Middle East. Experience indicates, however, that this approach will cause them to lose more than they gain (Iran is an example of this) from the standpoint of the real national interests of the United States.

Western Europe cannot allow itself to take this kind of risk in a region from which it receives 70 percent of the oil it consumes. It is naturally more interested in a strong and lasting settlement. The Western European leaders are gradually realizing that there can be no stability in the Middle East if several million Palestinian Arabs are left out of the settlement. Besides this, they are more interested in defending their own economic interests in this region than in safeguarding the interests of the top Israeli leaders. As a result, the Western Europeans have established different relations with the Middle Eastern countries (total EEC imports from the Arab countries now amount to 42 billion dollars, while imports from the United States amount to 35 billion). And whereas the Americans have openly blocked the resolution of the Palestinian problem, the Western Europeans have had to display greater flexibility in recognizing the national rights of the Palestinian Arabs, including their right of self-determination. This has already led to serious clashes with the American leadership, particularly in this election year. "If the Western Europeans implement their initiative on the Palestinian question, they will have chosen confrontation with Washington,"[3] remarked the WASHINGTON POST.

This divergence of the interests of the Western European and U.S. ruling elites is apparent in several areas. This is now being admitted on both sides of the ocean. "In many areas the interests of the two countries are diverging more and more,"[4] reported, for example, the press organ of the business community of Great Britain, the FINANCIAL TIMES. When the American press discusses the basic factors influencing the state of inter-Atlantic relations, it admits that this is primarily an "awareness that the Europeans now have interests which differ from American interests."[5]

The same can be said of Washington's claims to leadership in the capitalist world. In principle, Western European ruling circles do not object to this. What they are questioning is Washington's ability to lead the Western bloc. In reference to

the doubts about the United States' ability to effectively lead the West, England's GUARDIAN stated that "American leadership in the non-communist world is more in question now than ever before in the last 30 years."[6] As a result, the U.S. NEWS AND WORLD REPORT commented, the Western European partners "now have less faith in American power and are demanding more authority for themselves in policy-making for the alliance."[7] They are complaining that it is extremely difficult to follow a leader who only yesterday participated in the process of detente, advocated the limitation of the arms race and signed the SALT II treaty, but shortly afterward, guided by narrow personal interests, made a complete reversal and is now demanding that the allies unconditionally follow its lead in a bid for solidarity.

The Western European allies expect maturity, farsightedness, consistency and an understanding of present international realities from the American statesmen who claim a leading role in the world, or at least in the Western alliance, and not tightrope-walking, hysterics and vacillation. A leader, in their opinion, should admit, represent and defend common interests, and not just his own. When Washington pursues primarily its own goals in the resolution of international problems and, what is more, when it often does this to the detriment of the interests of its partners, and when it tries to obtain consent by means of pressure, bellowing and dictatorial behavior, and not by means of consultations or a search for mutually acceptable decisions, it loses its ability to unite others and it ceases to be a leader.

We cannot say that the present American administration has not sensed the mounting tension in relations with its allies or that it has not made any attempt to alleviate this tension. On the ideological level, its representatives have vigorously substantiated the "trilateral" ideal; the meetings of the Trilateral Commission are held more regularly and, in some cases, have preceded the summit meetings of the largest capitalist states (in Bonn in 1978 and in Tokyo in 1979). Some changes have also been made in the tactic of ensuring the solidarity of the United States and its Western European partners. According to Carter's leading strategists, Washington should concentrate on creating an atmosphere (in a region, in the world or in regard to a particular issue) which would force the allies to act only in the direction convenient at that time for U.S. ruling circles.

This approach was tested in the latest campaign against the "Soviet military threat," which was supposed to not only prepare the American public for a subsequent outburst of militarism, but also, and quite obviously, to influence Western Europeans. By using the mass media to suggest to the Western European public that the Warsaw Pact countries are engaging in an "unjustified and dangerous buildup of military strength," Washington is trying to create a particular atmosphere in Europe, in which any serious resistance of American pressure aimed at the escalation of the arms race, the production and deployment of new weapon systems and the guaranteed support of its foreign policy line, will be almost impossible.

Naturally, it should be borne in mind that the military relations of the allies have always been unequal and that the American leadership has always used U.S. superiority in this sphere as a means of exerting pressure on its bloc partners. Moreover, it has deliberately exaggerated the significance of the military factor in the overall system of their interrelations. Detente objectively diminished the role of this factor and began to undermine America's ability to exert pressure on its allies. The myth of the "Soviet military threat," which justifies the arms

race, is supposed to, according to American strategists, guide relations with the allies into their previous channel.

The creation of an atmosphere of danger from outside helped Washington win the consent of its Western European partners, at the May 1978 session of the NATO Council, to a 3-percent annual increase in real military spending and to a rearmament program with a cost of 80 billion dollars in the next 15 years, and at the December 1979 session, to the production and deployment of medium-range nuclear missiles, capable of reaching points far within the territory of the Soviet Union, in Western Europe by 1983. These decisions were adopted in spite of heated debates in Western European public circles and with a total disregard for the constructive Soviet proposals of 6 October and 6 November 1979, as set forth in speeches by General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev.

Although Washington's exaggeration of the "Soviet threat" myth and its creation of an atmosphere of danger from outside led to some consolidation of the allies under the American aegis in the military sphere, it did not completely solve the problem of creating a "situation of strength" on the Western side in opposition to the socialist community, especially the Soviet Union. In the first place, this consolidation was not complete: Belgium and Denmark decided not to increase their military expenditures 3 percent in 1980; debates continued in Belgium over the deployment of American medium-range missiles in this country; Holland postponed the decision on this matter until December 1981. In the second place, the allies must have seen that although the United States was desperately spreading the myth about the "Soviet military threat," it had nonetheless signed the SALT II treaty with the Soviet Union and was continuing the talks on some aspects of arms race curtailment. All of this motivated the Western European governments to find their own way of extending military detente to the continent.

At the same time, the allies' consolidation on military grounds did not automatically strengthen inter-Atlantic solidarity in the sphere of economic and political relations (in connection with the Middle East, detente and so forth). For the last few years, the Western European leaders have been able to keep these spheres separate. What is more, whereas differences of opinion in politics and economics sometimes had a negative effect on the military relations of the allies, American concessions in this area generally did not correct these differences.

The top authorities in the United States have evidently decided that it would take a more severe shock than just the myth of the "Soviet military threat" to create an atmosphere of outright confrontation between East and West. The artificial aggravation of Soviet-American relations by the Carter Administration was supposed to create this atmosphere, according to the plans of its initiators.

These calculations and considerations were not the only reason for the step that was taken, but there is no question that they played their role in the White House's decision to aggravate relations with the USSR. In any case, the abrupt change in the American Administration's assessment of Soviet foreign policy, the possibility of interaction with the Soviet Union and its metamorphosis from a negotiating "partner" into an "adversary," into a state allegedly posing a "direct threat to peace," which "has never been as imminent as it is now since World War II"--all of these extremely pointed statements were naturally addressed more to the Western

European allies than to the USSR, which knew their real worth. It was as if Washington was informing them that a situation of "confrontation with the enemy" had arisen and that, therefore, this was not the time for disputes within the Western bloc, that the situation demanded automatic solidarity with the leader--the United States--because any disagreements would strengthen the "enemy" and weaken NATO. To some degree, this represented the issuance of an ultimatum to Western Europe.

Therefore, Washington's exacerbation of Soviet-American relations pursued, in addition to everything else, the goal of disciplining the Western European allies, guaranteeing their complete solidarity with U.S. actions in the international arena and creating an atmosphere in which continued cooperation with the Soviet Union on the previous level and in the previous volume, not to mention new initiatives in this direction, would be interpreted as a blow to the common interests of the West. The goal next in line was the closer attachment of Western Europe to American attempts to change the world balance of power with the aid of Western European resources. This appraisal of Washington's motives could seem "too high," but all of the subsequent reactions of the American administration to the attempts of some Western European leaders to correct the situation confirmed that there is some basis for this appraisal.

In an attempt to establish some kind of theoretical basis for their worries about mutually beneficial cooperation between East and West in Europe, American foreign policy ideologists tried to convince the Western European public that the continuation of this cooperation would lead to the so-called "Finlandization"[8] of Western Europe if it were to develop on a bilateral basis rather than an "Atlantic" basis. Moreover, as stated in the collective work "Soviet Foreign Policy Toward Western Europe," it is precisely this that is supposedly the goal of Soviet policy.[9]

Some American officials, including Z. Brzezinski, took an active part in the provocative campaign to popularize this belief. When he was the director of Columbia University's Institute for the Study of International Change, Brzezinski maintained that U.S. policy in Eastern Europe should be aimed at its "degeneration." Now, on the other hand, he is trying to convince the United States's allies that this is also the goal of Soviet policy in Western Europe (this is a quite understandable trick, as Sovietologist Brzezinski assesses Soviet policy in terms of the "subversive criteria" so dear to his heart).

It is difficult to determine whether this theory contains more arrogant contempt for the state which played a constructive role in convening the Conference on Security and Cooperation in Europe and the institution of sensible East-West policy, disrespect for the allies, interference in their internal affairs (after all, it is ultimately their own affair if they want to be like Finland, like Uruguay or like themselves), or social and political ignorance. Apparently, all of these elements are present to an equal extent.

Other spokesmen of the U.S. political and scientific communities are trying to allege that the goal of Soviet policy in Europe is to drive a wedge between the Atlantic bloc partners. This suggests, in line with their views, that when disputes arise between the allies and the Western European leaders try to defend their own interests, which, as has already been pointed out, do not always coincide with U.S. interests, they will allegedly be objectively "playing up to" the Soviet Union.

Remarks of this kind merely distort the essence of Soviet foreign policy toward the capitalist countries, the basic principle of which is the peaceful coexistence of states with differing sociopolitical structures. The Soviet Union is striving to maintain normal, good relations with the United States, with the Western European countries and with all other states in the world, and it is in no way striving to set some countries against others in accordance with the "balance of power" theory that is so popular in the West.

Differences of opinion and conflicts between the United States and Western Europe are engendered by the completely understandable diverging interests of their ruling circles in some areas and by the converging parameters (indicating the strength and influence of states in the international arena) of the two centers of the capitalist world, which is giving Western Europe the ability to defend its own specific interests and is diminishing Washington's ability to impose its wishes on Western Europe. The distinctive interests of American and Western European ruling circles are not engendered by Soviet actions, but by a group of factors influencing the formation of these interests (historical experience, geographic location, the alignment of forces within a nation in regard to a particular issue, and so forth; these can also include the "Soviet factor," but only as one of many). What is more, it is more convenient for the USSR when its views agree with the general position of the West (as was the case in Helsinki, for example) and not only with the positions of individual Western groups.

The question of whether the diverging interests of ruling circles in various Western countries make this kind of general position possible is another matter. Should the Soviet Union reject the offers and initiatives of the states which are prepared to continue the dialog with it when this will benefit only those which are not willing to cooperate? Of course not. But it also does not have any intention to disunite, for example, the United States and Western Europe, and is behaving in this way because it contributes to the general normalization of the situation and the establishment of the principles of peaceful coexistence by states with differing social systems.

How has Western Europe reacted to the American steps to exacerbate Soviet-American relations and the U.S. attempts to extend this tension to Europe by involving all allies in the escalation of this tension?

It would be wrong to say that there are no forces in Western European ruling circles that are eager to support any anti-Soviet action, regardless of whether it is initiated by Washington or Beijing. Above all, these include the NATO military-industrial complex, backed up by a strong political, academic and propagandistic infrastructure, and rightist (conservative) parties in some countries (Great Britain, Italy, Portugal, Turkey and others). On the whole, however, a more healthy, more realistic approach to interaction with the Soviet Union and the other countries of the socialist community prevails among Western European political leaders, and they are disturbed by Washington's creation of tension in Soviet-American relations. As a rule, they have no interest in their exacerbation (the fact that this interest can take active, passive and even covert forms is another matter). Their worries about this tension and their lack of incentive to exacerbate it are due to the following factors.

In the first place, increased tension in the relations between the leading powers of the two military alliances will certainly create tension in Europe and heighten the polarization of European countries; Washington is already demanding a precise answer and a completely definite stand from its allies: "Who are they for and who are they against." Only one answer is anticipated: They are for the United States (and will automatically support it) and against the Soviet Union (just as automatically) and must be just as harsh as their overseas partner in dealing with it. Many Western European leaders are not viewing the situation in this kind of black and white variant, however, and would like to avoid wrecking their prospects in the West and in the East.

In the second place, the exacerbation of Soviet-American relations is affecting the nature of American-Western European ties because the military factor is gaining greater significance as a result of Washington's stand. This is inconvenient for Western European ruling circles, as it is precisely the military sphere that Washington uses for the exertion of pressure on its allies to guarantee their solidarity in matters in which this solidarity is not in their interest, restricting the freedom of their foreign policy maneuvers and limiting their ability to attain their own objectives in the international arena. In the final analysis, the exacerbation of Soviet-American relations, according to some Western European officials, prevents the resolution of the problem of military detente on the continent and thereby perpetuates an inconvenient situation for the Western Europeans.

In the third place, the strength of Western Europe and its political influence in the world rest on economic power. But this power cannot take the form of political influence in the international arena unless economic factors predetermine policy, and not vice-versa. At a time of tension, however, political considerations prevail over economic factors. Therefore, under the conditions of the tension resulting from the exacerbation of Soviet-American relations, Western Europe has more chance of losing its advantages in the international arena, whereas detente tends to strengthen these advantages.

In the fourth place, Washington's demand that economic sanctions be instituted against the USSR and that the development of Western European economic contacts with the European socialist countries be placed under U.S. control would inflict substantial and tangible injuries on Western Europe. It is known that the United States lost 5 billion dollars as a result of the cancellation of its wheat transactions with the USSR. This aroused pointed dissatisfaction in the agricultural industry and in a large segment of the American business community. But the losses suffered by the Western Europeans would have been even greater (the FRG alone would have lost 7-8 billion dollars in this event).

"According to a poll conducted in West Germany, one out of every two individuals regards job security as the number-one social problem,"[10] reported the American weekly U.S. NEWS AND WORLD REPORT. The orders of socialist countries are now giving jobs to 2 million people in the developed capitalist countries, where unemployment, according to the latest data, has reached the 20-million level.[11] In addition, the increasing significance of economic ties between some Western European states and the Soviet Union and other countries of the socialist community must be taken into account. For example, 14 percent of the gas consumed in the FRG already comes from the USSR (15 percent in France and 20 percent in Italy). "Trade with Moscow, for example, is much more important to Bonn than to

..ashington. France is already rapidly expanding its exports to Russia and is importing not only fur and vodka from Russia, as the United States is doing, but also natural gas and important raw materials,"[12] concluded the NEW YORK TIMES.

Something else is also important: Whereas American trade with the Soviet Union is highly political, "Western Europe prefers to trade with Moscow," says N. Birnbaum, Senator E. Kennedy's closest adviser, "primarily in line with economic considerations." But the exacerbation of American-Soviet relations has already led to Washington's attempts to force the allies to base their trade with the USSR and other countries of the socialist community on political factors as well.

When we analyze the nature of the disagreements arising between the United States and Western Europe, we must stress the present temporary state of the balance of power between the two centers of imperialist competition: The United States can no longer impose all of its wishes on its allies, but Western Europe is still not strong enough to defend all of its own interests in disputes with Washington.

When we assess the position of Western European ruling circles with regard to the exacerbation of American-Soviet relations, we must take the influence of some internal factors into account. These include, above all, the new Conservative government in England, headed by M. Thatcher, an advocate of a tougher line in relations with the Soviet Union, the new rightist government of S. Carneiro in Portugal, and the slight increase in the influence of Christian Democrats and their coalition partners in the 1980 provincial elections in Italy. Even in the FRG, the election campaign, in which the opposition is taking an extremely rightist stand on foreign policy issues, will certainly affect the official line of the government. Internal disagreements have also become more pronounced in the EEC, primarily between England and the rest of the members, and this will indisputably increase Washington's ability to take advantage of the Western European "balance of power" in its own interest. The European Parliament turned out to be more conservative in composition than expected. After the members were first elected by a direct vote last year, they tried to establish their right to exert more influence on the foreign policy line of the Common Market.

Under these conditions, Western European leaders have avoided taking sides in practical relations with the White House: They have given in to American pressure in some areas, generally in the spheres where American domination is most perceptible (in the military sphere above all, and in the ideological sphere, as verbal maneuvers are possible here), but they are trying to conduct their own line in the areas where their resistance has more chance of success (particularly in the economic sphere). Although they make concessions (often verbal) to Washington when specific decisions are being made, they then either postpone or sabotage their implementation.

For example, the decision on the annual 3-percent military budget increase, which was approved by all NATO members at the May 1978 session of the bloc council, has been systematically ignored by individual states--first by the Labor Government in England, and now by Denmark and Belgium. After agreeing in principle with the American proposal regarding the production of U.S. medium-range nuclear missiles and their subsequent deployment in Western Europe, far from all of the Western European NATO countries have displayed a willingness to offer their territory for this purpose. Although they expressed solidarity on the political level with the

American stand on the events in Afghanistan, most of the Western European states have ignored the considerable pressure being exerted by Washington and have denied its requests for the imposition of sanctions against the Soviet Union in the economic and cultural spheres (at a meeting of the EEC foreign ministers and at the NATO Council session of 16 January 1980 in Brussels).

It should be noted that this tactic of not taking sides has also been characteristic of the approach of Western European ruling circles to other international issues, and not only to Soviet-American relations. Under pressure from Washington, the Western European leaders qualified their previous approval of some foreign policy initiatives in Venice at the June 1980 conference of the heads of state of the largest capitalist countries. But the final document of the "big seven," which consisted of generalizations and vague phrases, testifies less to the common political views of the partners than to their reluctance to disclose the depth of accumulated conflicts at the present time. Although the Western European leaders were unable to insist on the approval of their proposals at this meeting, the American Administration could not convince its allies to resolutely support its own steps in the international arena.[13]

At the same time, this kind of maneuvering and double-dealing are becoming less and less productive for the Western European side, and are even beginning to threaten its vital interests. Above all, concessions--big or small--only whet Washington's appetite. The President and his closest advisers, who are leading more and more toward the use of force in politics, feel that although the allies did not give in on all issues, this was only because the pressure exerted on them was not strong enough, and that the situation can be completely corrected by increasing this pressure and convincing the allies that they have no other choice. As a result, in order to "pacify" Washington, the Western European leaders will have to pay a constantly rising price. They are being threatened with the prospect of having to spend "fixed capital"--that is, giving up their own interests, achievements (primarily detente in Europe) and scales of influence in the international arena. The present U.S. approach to the question of nuclear weapons in the "theater of military operations" has demonstrated the danger of this tactic to Western European ruling circles.

The concessions of some NATO countries in regard to the issue of the "Eurostrategic weapon" were actually motivated by the belief--which, incidentally, was cultivated by the Americans--that, in the first place, they would be saving SALT II and military detente in general and, in the second place, the decision to produce and deploy, or even minimally deploy, this weapon would force the Soviet Union to make some concessions in future negotiations and to reach an agreement which would benefit NATO more than the Warsaw Pact states. There were even hints that the matter would never be fully carried out, but that "intimidation" of the Soviet Union was always a good tactic.

What is the present result of these calculations? The ratification of the SALT II treaty has been postponed indefinitely by Washington, and this means that the beginning of SALT III has also been postponed (it was within the framework of these talks, according to a decision of the December Brussels session of the NATO Council, that the entire "Eurostrategic" issue was to be discussed).

What do the Western European leaders now have in addition to the blocked SALT II treaty? They have the prospect of missiles in their own countries, which will be

fired on someone else's instructions but which will actually turn these nations into a target in the event of a conflict; they have the escalation of tension on the continent, since the Soviet Union will naturally have to respond to the appearance of new American nuclear weapons at its borders, weapons which could reach its major populated points and industrial centers within minutes after their launching; they have a real threat to the entire process of detente in Europe. At the same time, the Soviet Union's willingness, expressed during FRG Chancellor H. Schmidt's Moscow visit, to begin negotiating the issue of medium-range nuclear missiles prior to the ratification of the SALT II treaty but at the same time as the discussion of American forward-basing nuclear systems, has presented a new possibility for overcoming the impasse.

Apparently, the recognition of all these possible threats and dangers, as well as of the new possibilities, has led to a situation in which the intensification of pressure by U.S. ruling circles is reinforcing the determination of Western European leaders to withstand this pressure and, what is more, is strengthening their resolve to find new ways of clearly demonstrating, to the United States, to allies and to neighbors in the East, the nature of the present interests of the Western European states and the real intentions of their leaders.

Moving in this direction, the leaders of some Western European states (this process was initiated by the French Government) rejected America's January 1980 demands to refuse to sell the Soviet Union Western European goods on credit. They have blocked Washington's attempts to convene a special meeting of the heads of the largest capitalist states to discuss the Soviet Union's military assistance of Afghanistan, which was rendered at the request of the Afghan Government. "This is not our conflict," West German politician S. Huffner stated in an article in STERN magazine. "If America feels that it must take sides in this conflict, that is its affair and not ours."[14] Most of the Western European countries repudiated the boycott imposed on the Moscow Olympics by J. Carter and expressed their interest in constructive discussion at the Madrid conference on security and cooperation in Europe, which, they feel, could give new impetus to the policy of detente on the continent.

Washington's policy under the conditions of the international tension it created has consisted in attempts to use instruments of force and pressure in relations with the USSR and to inform this country that the United States will only continue the dialog with it if the Soviet Union renounces its principled line in the international arena. Most of the Western European states agree that an atmosphere of tension calls for the expansion, and not the curtailment, of dialog between countries with differing social structures, and for reliance on compromise instead of pressure. In this connection, the Warsaw meeting of General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev with French President Giscard d'Estaing was of tremendous significance. It was an important indication that the Western European leaders do not want the exacerbation of Soviet-American relations to extend to the European continent and are prepared to make a concerted effort to preserve and deepen the process of detente here. This was also attested to by FRG Chancellor H. Schmidt's Moscow visit and the talks that took place between the Soviet and FRG leaders. "We must concern ourselves with the maintenance and reinforcement of contacts between responsible political spokesmen, particularly in difficult times,"[15] stressed the FRG chancellor when he was in the Soviet capital. The Soviet-West German communique

underscored the fact that "detente is necessary, possible and beneficial" and that both states "are willing to do everything within their power to make this the leading tendency in international relations."16

All of these steps toward the stabilization of detente in Europe aroused unconcealed irritation in the White House. And this was not only because each of these steps, to one degree or another, objectively undermined the line of tension in international relations, which has been chosen by the present American leaders, but also because they (these steps) put Washington's strategic plans to create a situation of strength in question. The exacerbation of Soviet-American relations, dreamed up by the United States for the purpose, among other reasons, of strengthening the solidarity of the NATO allies under its aegis, has actually created a new source of conflicts between them.

FOOTNOTES

1. THE WALL STREET JOURNAL, 22 May 1980.

2. QUOTIDIEN DE PARIS, 7 July 1980.

3. THE WASHINGTON POST, 13 May 1980.

4. FINANCIAL TIMES, 20 May 1980.

5. THE NEW YORK TIMES, 22 April 1980.

6. GUARDIAN, 20 June 1980.

7. U.S. NEWS AND WORLD REPORT, 9 June 1980.

8. The term "Finlandization" reflects the primitive Dulles black-and-white view of the world: If a particular state does not remain steadfastly pro-American, this supposedly signifies that it does not have an independent political line and is acting in Soviet interests, and not its own, in the international arena. It is indicative that most of the participants in a Philadelphia conference in October 1977, where this matter was the subject of intense discussion, admitted that Finnish domestic and foreign policy was sovereign and independent and that it was consistent with Finnish interests and, furthermore, that the active development of contacts between the Western European states and the Soviet Union would not threaten their independence but, rather, would promote their conduct of an independent policy line.

9. "Soviet Foreign Policy Toward Western Europe," edited by G. Ginsbourg and A. Rubinstein, N.Y., 1978, p 5.

10. U.S. NEWS AND WORLD REPORT, 7 April 1980, p 9.

11. PROBLEMY MIRA I SOTSIALIZMA, No 6, 1980, p 43.

12. THE NEW YORK TIMES, 22 April 1980.

13. For more about this meeting, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1980, p 50.

14. STERN, 14 May 1980, p 316.

15. PRAVDA, 1 July 1980.

16. Ibid., 2 July 1980.

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THE CARTER ADMINISTRATION AND THE ZIONIST LOBBY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 43-55

[Article by N. V. Kopytin]

[Text] Since the end of the 1960's, U.S. imperialism's alliance with international Zionism and the top leaders of the Israeli Government has become much stronger. As General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev pointed out, "the unseemly role being played by those who encourage the Israeli extremists--the role of American imperialism and international Zionism as the weapons of aggressive imperialist circles, is becoming increasingly evident."[1] In the United States, the location of the second-largest center of international Zionism after Israel, Zionist organizations abet the military-industrial complex by using every means at their disposal to undermine international detente.

It must be said that not all American Jews are affiliated with Zionist organizations.[2] What is more, many Americans of Jewish origin are actively involved in the struggle of U.S. progressive forces for peace, democracy and social progress.

But the top bourgeois leaders of the U.S. Jewish community, who play an important role in such international Zionist centers as the Jewish Agency and the World Zionist Organization, have arbitrarily assumed the right to speak in behalf of all American Jews and now head the main institutions of this community in the United States. This ruling clique, which unites the majority of Jewish capitalists, tries to provoke outbursts of nationalism. What is more, the leaders of many Jewish bourgeois-nationalist, officially "non-Zionist" organizations are also pro-Zionist. As a result, the bourgeois-nationalist ruling clique of the Jewish community has been able to use the political activity of many American Jews, who are becoming more and more involved in various spheres of public life in the United States, in its own selfish interest.

The influence of the American grand bourgeoisie of Jewish origin in U.S. politics stems from the following factors.

Capitalists of Jewish origin have integrated fully into the American economy and possess considerable financial potential. By tradition, the leaders of the Jewish community have played a disproportionately large role in financing the election campaigns of leading U.S. political parties. In the 1970's, 20-40 percent of the campaign funds of the Republicans and 50-60 percent of the Democratic Party's funds came from this source.[3]

Jewish bourgeois circles can exert considerable influence on much of the mass media--for example, the NEW YORK TIMES and WASHINGTON POST newspapers, which usually support the Democratic Party.

The American Jewish population is concentrated in "key" states, such as California, New York, Pennsylvania, New Jersey, Massachusetts and Florida, which have a high number of electoral votes in presidential elections. The low level of absenteeism among voters of Jewish origin heightens their significance even more in elections, particularly the primaries. As a rule, 60-90 percent of the Jewish voters support the Democratic Party. They represent 4 percent of this party's electorate. The Republicans are supported by only 1 percent of the Jewish voters.

The direct political activity of American Jews is also generally connected with the Democratic Party. Individuals of Jewish origin are widely represented in its national committee and finance commission and make up around 20 percent of all its officials. There was a special "Jewish caucus" at the 1972 and 1976 Democratic Party conventions. The same kind of caucus now exists in the House of Representatives of the U.S. Congress (in the present Congress, 7 of the 100 senators and 23 of the 435 congressmen are Jewish). Almost 90 percent of all the Jewish officials elected to the American Congress and the majority of the 130 members of the Association of Jewish State Legislators are Democrats. Many labor unions and a significant percentage of liberal academic circles and social-democratic organizations maintain close contact with the Jewish community and also identify themselves with the Democratic Party. It is true that in the 1970's some representatives of the bourgeois ruling clique of the Jewish community went over to the Republican side in connection with the so-called neo-conservative current in American politics.

The Jewish community usually does not act as a single entity in the political arena. There are disagreements within the community over many economic and political issues. Within the sphere of American-Israeli relations, however, the Zionist lobbyists, whose chief objective is the protection of Tel Aviv's interests in Washington, are backed up by Jewish bourgeois and petty bourgeois organizations.

The Zionist lobby in the United States is a complex and multileveled mechanism. It is headed by a group of organizations directly engaged in lobbying activity in Washington. They include the Conference of Presidents of Major Jewish Organizations, which specializes in exerting pressure on the White House; the American Israel Public Affairs Committee, which concentrates on the Congress; the National Conference on Soviet Jewry; and lobbyists representing several major Jewish bourgeois-nationalist organizations that are formally non-Zionist--B'nai B'rith, the American Jewish Committee, the American Jewish Congress, the Synagogue Council of America and others. The Israeli Embassy in Washington interacts closely with them. In addition to these organizations, the lobby also includes a group of pro-Zionist senators, congressmen and members of the congressional staff.

The Zionist lobby in Washington, however, is only the tip of the iceberg. The reason for the effectiveness of Zionist lobbying stems from the ability of its centers to quickly mobilize and coordinate the activities of the entire organized Jewish community in the United States. A key role is played by the National Jewish Community Relations Advisory Council, the coordinating center of the community which unites organizations with almost 4 million members. The council

drafts political "recommendations" and conveys them through its own information channels to the state and electoral district levels. This allows for the simultaneous organization of nationwide undertakings of various types--demonstrations and rallies, the collection of signatures for petitions, the sending of letters and telegrams to the White House and Congress, and so forth. Although only 5-10 percent of the total Jewish population takes part in these measures, they convey the impression that the Zionist lobby is supported unanimously by the entire Jewish community. The use of political leverage also makes it possible to include those who generally ally themselves with the Jewish community in regard to U.S. domestic policy issues in the Zionist pressure campaigns.

Despite the close ties between the Jewish community and the Democratic Party, relations between the leaders of the present administration and the Zionist lobby displayed extremely contradictory and vacillating patterns of development.

In the very beginning of his first campaign, J. Carter, who was little known outside his own state, made a serious effort to win the support of Zionists and pro-Zionists. In the beginning of 1974 the former governor of Georgia visited Israel, where he announced that the Arab oil embargo would not cause America to waver in its support of Tel Aviv. But this pro-Israeli rhetoric did not make Carter popular in the Jewish community during the first stages of the campaign. Prominent French journalist and expert on Middle East affairs E. Roulot wrote: "At first the Jewish establishment reacted coolly to Carter with his dubious Baptist evangelism,[4] preferring to support another Democrat who was Carter's rival at that time, Senator Henry Jackson, who had praised Israel as a 'bastion of the West' and tirelessly supported Soviet dissidents."[5] Zionist circles supported Jackson because the "senator from the military-industrial complex" had headed the pro-Israeli coalition in Congress for many years. Liberal circles in the Jewish community, on the other hand, supported Congressman M. Udall. "I will not win more than 4 percent of the Jewish vote," J. Carter told his assistants. "Forget it, we will win with the Christian vote!"[6] And J. Carter did win a clear victory in the primaries without the support of the Jewish community or close contacts with the Zionist lobby.

The defeat suffered by H. Jackson in the primaries demonstrated that the military-industrial complex and its Zionist allies could not secure the nomination for their "favorite candidate." The Zionist lobby was disturbed by more than just the fact that this would be the first time in many decades that the Democratic Party's candidate for the presidency would not be relying on the "Jewish voting bloc." In a number of speeches, Carter spoke of the need to arrive at a comprehensive settlement of the Middle East conflict and to convene a Geneva peace conference in conjunction with the Soviet Union. The former governor of Georgia also talked about the rights of the Palestinians and said it would be a mistake to "attach the question of Jewish emigration from the USSR to trade legislation."

Just before the Democratic Party convention, however, the relationship of Jimmy Carter and his associates with Zionist circles began to change. The new leader of the Democratic Party was subjected to intense pressure by the leaders of Jewish bourgeois-nationlist organizations. The middlemen in this process were the Jewish officials from Atlanta who had been among Carter's closest associates since the very beginning of his campaign. They included S. Eizenstat, who was Carter's domestic policy adviser, and R. Lipshutz, his campaign treasurer and the former administrator of a local branch of the B'nai B'rith organization. Representatives

Representatives of Zionist circles argued that the support of Carter by the "Jewish voting bloc" could "considerably change the outcome of the election in four states--New York, Illinois, California and Florida."[7]

In June 1976, TIME magazine reported a reversal in the Democratic candidate's campaign strategy: "In the last few weeks Carter has made a definite effort to win Jewish support. He has placed numerous ads in Jewish newspapers and magazines, has met with the leaders of the Jewish community, has sent personal letters to Jewish voters and has appointed a special campaign committee director of Jewish affairs. He is being helped by several Jews from Atlanta, who are making speaking tours of the nation to stress Carter's old and close ties with Jewish leaders in Georgia."[8] Naturally, the Democratic candidate did not appeal to workers of Jewish origin.

Pro-Zionist officials began to gradually move to the side of the candidate who, according to public opinion polls, would be taking G. Ford's place in the White House. In New York J. Carter was supported by the city's Mayor A. Beame, who had previously campaigned zealously for H. Jackson; E. Bronfman, member of one of the nation's richest families (the Seagram and Sons firm for the production of whiskey and other beverages) and president of the North American division of the World Jewish Congress; prominent financier G. Samuels (the Off-Track Betting bookmaking firm); and the partners of the Lehman Brothers investment banking firm. In the Democratic Party National Committee, Chairman R. Strauss and Director M. Siegel joined the supporters of the former governor of Georgia.

Soon the Zionist lobby in Washington, which had supported the Republican candidate in 1972 (G. McGovern, despite his pro-Israeli rhetoric, did not seem "tough" enough to the Zionist lobby), also began to campaign for Carter. The head organization of the lobby--the American Israel Public Affairs Committee (AIPAC)--was particularly active in this work. The chairman of AIPAC, E. Sanders, a wealthy attorney from Los Angeles, even resigned his office to take on the duties of the assistant director of the national Carter and Mondale election committee (Senator W. Mondale was known as one of the leaders of the pro-Israel coalition in the Congress). Sanders supervised the Democratic Party campaign in the Pacific states. Another Zionist, P. Zuckerman, president of the United Jewish Appeal--the organization heading the collection of contributions for aid to Israel, with a budget reaching as high as 600 million dollars a year--also became one of Carter's campaign officials. The Democratic Party candidate was also openly supported by the leaders of the Conference of Presidents of Major Jewish Organizations, which takes in 32 of the leading Zionist and pro-Zionist associations in the United States. They included conference Director I. Hellman and its president, A. Schindler, leader of the Union of American Hebrew Congregations and later the president of the Association of American Reform Zionists and member of the executive committee of the World Zionist Organization.

In fact, the current President owed his victory in the November 1976 election to the support he was given by a coalition of political forces expressing the interests of the main segments of the U.S. ruling class. Zionist circles in the Jewish community only helped to change the administration in Washington, but they did not in any sense decide the outcome of the election. Nonetheless, it must be noted that after definite upsets in the beginning of the campaign, the Zionist lobby quickly transfered its support to the victor of the campaign battles, J. Carter,

even though it had not supported him at first. What is more, during the concluding stage of the primaries, Zionist and pro-Zionist circles gave the Democratic candidate a great deal of assistance, and it would seem that this contributed to Carter's important victory in the State of New York, which gave him 41 electoral votes in the presidential election.

After winning the 1976 election, the new President endeavored to preserve his close ties with the leaders of the Jewish community and the Zionist lobby. The task of maintaining contact with these circles was assigned to White House staff member M. Siegel, prominent Democratic Party official. In several cases, he was assisted in this work by other prominent individuals of Jewish origin who were part of the administration. They included presidential advisers S. Eizenstat and R. Lipshutz, as well as R. Strauss, who was appointed the U.S. representative in the GATT talks, and A. Goldberg, honorary president of the American Jewish Committee who became the head of the U.S. delegation at the Belgrade meeting of representatives of the states participating in the all-Europe conference. The services of three individuals of Jewish origin in the Cabinet--H. Brown, M. Blumenthal and J. Schlesinger--were enlisted to a lesser degree in contacts with the Jewish community.[9]

The struggle over foreign policy issues which began in the American political arena after Carter took office was not assessed unanimously in the American Jewish community. Progressive strata of the Jewish population favored the policy of international detente. There were also supporters of detente in the bourgeois strata of the community, particularly among those who wanted to repeal the Jackson amendment and supported the Committee for East-West Accord. These realistic thinkers, however, constituted the minority in the community's upper echelon, where the prevailing influence was held by representatives of Zionist and pro-Zionist circles. The latter continued to ally themselves openly with the supporters of the military-industrial complex and with inveterate anti-Soviets and anticommunists.

In the Democratic Party, one of the strongholds of detente's opponents became the Coalition for a Democratic Majority, co-chaired by knights of the cold war, Senators H. Jackson and D. Moynihan. The coalition made a great effort to give a rightist slant to the Democrats' domestic and foreign policy. Representatives of the bourgeois nationalist upper echelon of the Jewish community were given important positions in this organization: The post of president of the coalition was occupied by H. Jackson's former adviser B. Wattenberg, and the post of executive director was filled by renowned anti-Soviet J. Muravchik; in addition, 7 of the 14 vice chairmen of the coalition take a Zionist or pro-Zionist stand--W. Rostow, who was assistant secretary of state in the 1960's; former Chief of Naval Operations, Admiral E. Zumwalt, Ret.; S. Chaikin, leader of the International Ladies' Garment Workers Union; President A. Shanker of the American Federation; President M. Lipset of the pro-Israeli organization "American Professors for Peace in the Middle East"; journalist M. Decter, the wife of N. Podhoretz, editor of COMMENTARY, a magazine published by the American Jewish community.

Zionist circles were also quite noticeably represented in another leading lobbyist organization of the U.S. military-industrial complex--the Committee on the Present Danger. The members of this committee include W. Rostow, E. Zumwalt, S. Chaikin, COMMENTARY editor N. Podhoretz, writer S. Bellow, Israeli emigre scientist Y. Raanen, former adviser to H. Humphrey and attorney M. Kempelman, prominent Zionist activist and partner in the Stroock Stroock & Lavan law firm R. Hauser, Director R. Horowitz of the political education division of the American Teachers Federation and others.

Zionist and pro-Zionist circles in the American Jewish community occupy a prominent place in the coalition of opponents of international detente. The Zionists once performed a great service to all U.S. reactionary forces by instigating the provocative commotion over "anti-Semitism" in the USSR. The demand for "free emigration from the USSR," voiced at a Zionist rally in Brussels in 1971, was used by American anti-Soviets, with Senator H. Jackson in the lead, to set up obstacles in the way of the normalization of Soviet-American relations. In 1972-1974, they did not want to attack detente directly and resorted to maneuvers, using the emigration issue as a pretext to prevent the granting of most-favored-nation status to the Soviet Union in trade. Later, the supporters of the military-industrial complex launched a frontal attack on detente, utilizing the "experience" gained from the struggle over the Jackson amendment. The propagandistic commotion revolving around imaginary "violations of human rights" in the USSR and other socialist countries was the direct continuation of the campaign "in defense of the rights of Soviet Jewry."

Zionist circles eagerly joined this demagogic campaign launched by the Carter Administration. As A. Goldberg, head of the American delegation at the Belgrade conference, stated frankly at that time, the purpose of the campaign was to "give hope to dissidents" in the Soviet Union.[10] A provocative report full of gross slanders on Soviet policy was specially prepared for the Belgrade conference by Zionist circles. A delegation from the National American Interreligious Task Force for the Defense of Soviet Jewry was sent to Belgrade.

Continuing the slanderous campaign "in defense of Soviet Jewry," Zionist lobbyists concentrated initially on the preservation of discrimination against the USSR in the commercial and economic spheres. For this purpose, they exerted pressure on politicians who favored the removal of obstacles in the development of American-Soviet relations. Fairly sharp clashes also took place in the upper echelon of the Jewish community between Zionists and bourgeois circles interested in the development of trade with the USSR. The Carter Administration's refusal to openly advocate the repeal of the discriminatory amendments helped the Zionists and their allies impede progress in this area. The enforcement of the Jackson amendment made it easier for reactionary circles to prepare the soil for the President's January 1980 announcement of a policy of "economic sanctions" against the Soviet Union.

The Zionists also had a hand in the anti-Soviet campaign aimed at wrecking the 1980 Olympics in Moscow. They spread the rumor that Israel would not be admitted to the Moscow games. Using this and other pretexts, they tried to organize the exertion of pressure on firms owned by Jewish capitalists which had contracted to supply commodities for the games, sell souvenirs and televize the Olympics (Occidental Petroleum, Lazard Freres, Lehman Brothers, Kuhn, Loeb, Hornblower and NBC Television). It should be noted, however, that the Zionists were unable to win the support of the majority of the American Jewish community in this matter.

As we can see, during the years of the Carter Administration the Zionists did not relax their anti-Soviet campaign. It is true that its relative significance was somewhat diminished after all American reactionary forces moved toward a frontal attack on detente. Under these conditions, it was no longer necessary to resort widely to the concealment of the sinister goals of the cold war's supporters by means of the emigration question and other similar far-fetched issues. The main force of the attack would now be aimed at the very principle of peaceful coexistence by states with differing socioeconomic structures. This was most graphically

reflected in the struggle over SALT II. The Zionist lobby energetically abetted the military-industrial complex, acting through the Hebrew National Security Institute, which has two goals: "to inform the Jewish community of the importance of strengthening American defense for the survival of the United States and Israel" and "to teach the American public the geopolitical value of the State of Israel to the United States as a stronghold of Western interests in the Middle East." At a meeting organized by the institute, a group of leaders of Jewish bourgeois nationalist organizations met with Secretary of Defense H. Brown in December 1979 to express support for Pentagon budget increases. At the same time, the ratification of the SALT II treaty was being supported not only by progressive forces, but also by some realistic-minded representatives of the upper echelon of the Jewish community, including President F. Klutznik of the World Jewish Congress, President E. Pilchik of the Central Conference of American Rabbis, President A. Schindler of the Union of American Hebrew Congregations, former B'nai B'rith President D. Bloomberg, Professor H. Morgenthau and others.[11]

Just as in the past, the Zionist lobby was most active in matters relating to U.S. policy in the Middle East. The Carter Administration's policy in this region developed under the influence of an entire group of factors, but the analysis of each of these does not lie within the scope of this article.[12] It must be stressed, however, that Washington's approach to the Middle East was colored primarily by American imperialist interests. It would be wrong to believe that U.S. policy in the Middle East is determined by the Zionist lobby, although its influence in this sphere is quite perceptible.

Relations between the Zionist lobby and the Carter Administration in regard to U.S. policy in the Middle East were marked by reversals and vacillation. As soon as J. Carter took office, he completely supported the Zionist demand to prohibit the observance of the Arab boycott of Israel by U.S. firms. The administration even took the unprecedented step of giving the Zionist lobby a chance to draft the legislation prohibiting participation in the boycott. As a result, the text was compiled at confidential talks between representatives of B'nai B'rith and the National Jewish Community Relations Advisory Council on one side, and representatives of the Business Roundtable organization, uniting the largest American monopolies, on the other. In June 1977 J. Carter signed an act passed by Congress "against the Arab boycott of Israel" at a ceremony attended by representatives of Zionist and pro-Zionist circles.

Carter's statements about settlement in the Middle East once aroused considerable alarm in Zionist circles. The President's references to the "Palestinian homeland" were mistakenly interpreted in these circles as his intention to assist in the establishment of a Palestinian state. In summer 1977 the Zionists launched a campaign to prevent the White House's departure from its pro-Israel line.[13] This campaign reached its peak when the joint Soviet-American statement on the Middle East was published on 1 October 1977, paving the way for a universal and lasting settlement in this region with consideration for the legitimate interests of the Palestinian people. Zionist circles accused the administration of "slipping over to the Russian side."

The attacks on the joint Soviet-American statement took on unprecedented--even for the Zionist lobby--dimensions. An excellently organized wave of protests, demonstrations and statements against the White House engulfed the nation. Chairman

A. Schindler of the Conference of Presidents of Major Jewish Organizations announced that he would visit Chicago, Atlanta and Los Angeles with then Israeli Foreign Minister M. Dayan to lead a "pressure campaign" against the administration; he accused Carter of "abandoning America's historic obligation to safeguard the security and survival of Israel."[14]

Once again, the most diverse reactionary forces in the United States allied themselves with the Zionists. A leading role in the campaign was also played by such representatives of the military-industrial complex as Senators H. Jackson and D. Moynihan. The late leader of the AFL-CIO, G. Meany, was also quite active in the campaign. Great pains were taken by the Republicans (including B. Brock, representing the party National Committee, and H. Baker, leader of the Republican faction in the Senate) to strengthen their influence in the Jewish community.

As a result, although the administration did not officially renounce the joint statement, it refused to take real steps toward its implementation and began to move American policy in the opposite direction. An American-Israeli "working document" was signed on 4 October 1977, preventing the organization of a Geneva peace conference and actually repudiating the Soviet-American statement. A month later, J. Carter reaffirmed his pro-Israel position in an address to the World Jewish Congress assembly.[15] The President later declared at a meeting with a group of Jewish congressmen: "I would commit political suicide before I would hurt Israel."[16]

After A. Sadat's trip to Jerusalem, the White House openly took a stand in support of separate Egyptian-Israeli negotiations, thereby undermining the organization of a Geneva peace conference. But relations between the administration and the Zionist lobby remained extremely tense for a long time afterward, and there was even an open confrontation between the White House and the Zionists in spring 1978 over the sale of American war planes to Saudi Arabia. In the fear that Israel could lose its privileged position as the main partner of the United States in the Middle East, the Zionists tried to block the sale of the planes in Congress but suffered their first open defeat on Capitol Hill in a decade: The Senate approved the President's proposed "package" deal by a vote of 55 to 44.

The Zionist lobby was somewhat undone by this defeat in the Senate. Differences of opinion came to light in the very upper echelon of the American Jewish community. Several prominent figures criticized the Israeli Government, accusing it of facing American Zionists with the dilemma of choosing between Washington and Tel Aviv. Public opinion polls indicated that the majority of American Jews, despite widespread pro-Israel propaganda, were against M. Begin's annexationist policy of establishing Jewish settlements on Arab land. Even T. Mann, who succeeded A. Schindler as chairman of the Conference of Presidents of Major Jewish Organizations, announced at the ceremonies celebrating Israel's 30th anniversary that he felt "morally obligated to inform the Israeli leaders of the existence of differing views on Middle East policy in the U.S. Jewish community."[17]

In this way, the alignment of forces in American politics in late 1977 and early 1978 seemed to offer an opportunity to revise Washington's traditional policy line in the Middle East. The Carter Administration's declarations about the need for a comprehensive settlement in the Middle East, however, were actually only intended to cover up the policy aimed at engineering a pro-American alliance between Tel Aviv and Arab reaction. This line is in the interest of U.S. imperialist circles

in general, and not only the Zionist lobby, and envisages, just as before, the role of leading ally and client in the Middle East for Israel. "American interests in this region can best be safeguarded by a strong Israel, supported by weapon shipments and economic assistance from the United States," remarked George Washington University Professor B. Reich. "From this standpoint, Israel is the only reliable bridgehead of the West and, in particular, the United States in the Middle East. In the final analysis, this is a modern developed state of the same type as America's allies in Western Europe."[18] The collapse of the shah's regime in Iran soon afterward proved once again to American ruling circles that Israel was "irreplaceable" as the pivotal point of their Middle East policy.

"There is no question that pro-Israeli groups are among the most organized, well-financed and most active of all the special interest groups in the United States," wrote Professor W. Quandt, who headed the Middle East division division of the U.S. National Security Council in 1977-1979. "Nonetheless, they do not dictate policy.... In most cases, special pressure groups give politicians a convenient excuse to conduct a policy line chosen for other reasons."[19] It is indicative that policy that is hostile to the Arab countries is often justified in Washington by references to the "power" of the Zionist lobby. With the aid of this "argument," representatives of U.S. imperialist circles are implying to the Arab world that Washington is supposedly "pro-Arab" and that it is only Zionist pressure which causes it to sometimes support Israel's aggressive line. In reality, however, the Zionist lobby has never opposed American imperialist strategy in the Middle East; it has merely defended tactics envisaging the maximum utilization of Israeli potential in the U.S. interest in exchange for American approval of Tel Aviv's expansionist aims.

It is no coincidence that immediately after the vote on the "package deal," administration spokesmen personally contacted the bourgeois nationalist leaders of the Jewish community to assure them of the invariability of the pro-Israel U.S. line. Carter and Mondale announced that they would not, under any circumstances, use American aid as an instrument of pressure against Israel. A prominent figure in the Zionist lobby, E. Sanders, once chairman of the American Israel Public Affairs Committee, became a member of the administration. He performed liaison functions between the administration and the Jewish community after M. Siegel resigned this position. A special function was "invented" for Sanders--special adviser to the President and the secretary of state on Middle East policy. At Sanders' initiative, the Senate passed a resolution in July 1978, by a vote of 87 to 13, which was supposed to calm the furor over the "package deal." It stated that the maintenance of Israel's strength and security and the preservation of its "effective defense capability" remained the "fundamental basis of U.S. policy." This same approach lay at the basis of the administration's position at the tripartite Camp David meeting in September 1978.

The signing of the Camp David agreements considerably strengthened relations between the administration and Zionist and pro-Zionist circles. "The summit meeting in Camp David did not merely placate anti-Carter feelings in the U.S. Jewish community," reported the CHRISTIAN SCIENCE MONITOR. "There have been reports that President Carter has won a significant majority of the Jews over to his side for the first time."[20] In this way the administration was striving to consolidate its position among voters of Jewish origin and wealthy "contributors" in the Jewish community, where disillusionment with many aspects of Carter's domestic and foreign policy was growing. It was not until the separate Egyptian-Israeli treaty was

signed in Washington in March 1979, however, that an attempt was made to form an actual alliance between the Carter Administration and the Zionist lobby--obviously aimed at the 1980 campaign. It appears that when the White House resorted to maximum close cooperation with Zionist circles, one of its motives was the hope of undermining the attempts of Carter's opponents in the Democratic Party to utilize the financial and political potential of the Jewish community for a "rebellion" against the President.

It is indicative that R. Strauss, known for his ties to the upper echelon of the Jewish community, was ostentatiously appointed the head of the American delegation at the separate Egyptian-Israeli talks on "Palestinian autonomy." This man also headed the United Jewish Appeal's department for the collection of contributions from government officials. At the talks on "autonomy," R. Strauss was not accountable to the secretary of state, but was under the personal jurisdiction of the President and regularly met with leaders of the Zionist lobby to work out a common stand. In an address to the Conference of Presidents of Major Jewish Organizations, Strauss assured his audience that "President Carter has a Zionist devotion to the cause of the State of Israel."[21] Carter himself noted in a statement for NEAR EAST REPORT, the bulletin of the Zionist lobby, that "our relations with Israel have never been as strong as they are today.... Since 1977 I have recommended that Israel be given assistance in the amount of 10 billion dollars."[22]

The present administration was also guided by campaign considerations in the "Young affair," when it forced A. Young, head of the U.S. delegation to the United Nations, to resign in August 1979 after it had been established that he had met with representatives of the Palestine Liberation Organization without the consent of the President. After Israeli intelligence established that this meeting had taken place, vociferous protests were voiced by Tel Aviv and American Zionist organizations. Using this as an excuse, the administration rid itself of an excessively independent official but simultaneously instigated a crisis in the relations between the blacks and the Jews, traditional allies in U.S. domestic politics. In this way the administration not only earned additional dividends in Zionist circles but also complicated E. Kennedy's attempts to create a bloc composed of the Jewish, black and other ethnic communities as a basis for his campaign against J. Carter. "The provocation of tension between blacks and Jews is the goal of the particular segments of the U.S. ruling class that are striving to preserve the supremacy of monopolies by sowing discord within our population,"[23] a statement issued by the heads of the Communist Party, USA, said in this connection.

At the end of 1979 R. Strauss left his "diplomatic" post and headed the committee for the re-election of J. Carter and W. Mondale. At the same time E. Sanders became the West Coast director of this committee. These transfers did not in any way weaken the influence of the top leaders of the Jewish community in the administration. For example, R. Strauss' place in the talks on "autonomy" was filled by one of the heads of the American Jewish Committee, S. Linovitz. The liaison functions between the White House and the Zionists were reassigned to the vice president of this committee, Washington attorney A. Moses. Within the administration, J. Schlesinger and M. Blumenthal were replaced by two other figures from the Jewish community--N. Goldschmidt, who became secretary of transportation, and F. Klutznik, who filled the position of secretary of commerce. The appointment of Klutznik, who was not only one of the Democratic Party's largest "contributors," but also a leader of several major Jewish bourgeois nationalist organizations, was of particular importance. For many years, he headed the B'nai B'rith, then served as the

chairman of the Conference of Presidents of Major Jewish Organizations and has lately served as the president of the World Jewish Congress. At the same time, Klutznik is a member of the relatively liberal segment of the Jewish community and has long had ties with the Kennedy clan.

In this way, in the very beginning of the present campaign (in contrast to 1976) J. Carter was able to secure the support of many prominent representatives of the American Jewish community's upper echelon. It is indicative that several famous Israeli politicians, including M. Dayan and E. Weizman, openly advised the American Jews to vote for the incumbent President. As a result of these maneuvers, Kennedy's support from the Jewish establishment was weaker than expected. It turned out that M. Siegel, who had gone over to the side of the senator from Massachusetts and was heading his campaign, also had few followers among the voters of Jewish origin. Kennedy's most prominent supporters in the top circle of the Jewish community were A. Schindler and Professor A. Schlesinger, the former adviser of President John Kennedy.

The incumbent President's flirtation with Zionist circles, however, did not win him popularity with broad strata of the American Jewish population. According to public opinion polls, 84 percent of the American Jews were dissatisfied with Carter's record in spring 1979.[24] It could hardly be called a coincidence that Kennedy defeated Carter in the primaries in states where the percentage of Jewish inhabitants was higher than the average--in New York, Massachusetts, Connecticut, Pennsylvania and New Jersey. In New York, in particular, where almost half of all registered Democrats are Jewish, Kennedy won four-fifths of the Jewish vote in the primaries. Evidently, the anti-Soviet hysteria that is being cultivated by the incumbent President is frightening the majority of American Jews, who also disapprove of the Carter Administration's domestic policy.

Once again, some distance was noticeable between the White House and the Zionist lobby. The failure of the Camp David policy has forced Washington to resort to new maneuvers in the Middle East, but Tel Aviv is not in any hurry to support them. "If Israel would make some concessions to settle the Palestinian problem, it could then play an important role in this region. This would even make regional U.S.-Israeli military cooperation possible,"[25] said the U.S. ambassador in Israel, S. Lewis, hinting at the possibility of an official American-Israeli military treaty. But M. Begin's government did not respond to this appeal. Judging by all indications, it hopes to use the campaign in the United States in its own interest.

In March 1980 D. McHenry, the new U.S. representative to the United Nations, was instructed to vote for a resolution condemning the creation of new Israeli settlements in occupied territory. This vote was interpreted as an "American step toward the Arab side" and as evidence of U.S. pressure on Israel. President Carter, however, officially repudiated the actions of the American delegation, calling it a case of "faulty communications." The President made this statement immediately after an unofficial meeting with Israeli Ambassador E. Evron on the eve of the New York primaries. "This meeting between the President and the ambassador of a specific country is one of the clearest reflections of Israel's special status in the United States and of the extreme importance of questions connected with Israel on election eve," remarked the NEW YORK TIMES. To clear the atmosphere, I. Klutznik organized a meeting between the President and the leaders of major Jewish bourgeois nationalist organizations, but this ended in Carter's skirmish with A. Schindler.

Reflecting the cooler relations between the administration and the Zionist lobby, the NEAR EAST REPORT commented that "if Carter is re-elected, he could throw caution to the winds and exert pressure on Israel."[26] One of the heads of the American Zionist Federation, which unites all Zionist organizations in the United States, G. Strober, announced his intention to "create a political coalition with the goal of defeating Carter." Israel's JERUSALEM POST began to focus attention on the Republican candidate. "Reagan and his advi ers," it remarked, "are saying only the right things, in Israel's opinion, about the Middle East. But they have not worked out a very effective strategy to convince the American Jewish community of this. Considering the dissatisfaction with Carter, they have a chance of gaining considerable support from Jews in large states such as New York. This support could determine the outcome of the November election."[27]

In summer 1980, when Carter's prestige suffered a sharp decline, the scandal involving the President's brother, Billy Carter, who had admitted to taking money from an Arab country, dealt a particularly severe blow to the President's position in the Jewish community. The present administration's opponents in Zionist circles accused the White House of planning to "sell Israel to the Arabs." Conservative segments of the Jewish bourgeoisie openly took the side of Reagan's supporters; for the first time in many years, public opinion polls indicated a significant rise in the Republican candidate's popularity with Jewish voters. At the same time, the movement of liberal strata of the Jewish community to the side of independent candidate J. Anderson, who had made a widely publicized visit to Israel, took on broad scales. Carter's influence in the Jewish community fell to the minimum.

The Zionist lobby tried to use the campaign situation to strengthen its position in Washington. During this time, both the President and his rivals tried to outshine one another in pro-Israel rhetoric, hoping to win the support of American Jews in this way. But campaign promises are not the main issue here. Israel still occupies a privileged place in U.S. Middle East strategy. Zionist circles followed the military-industrial complex' lead in supporting the "Carter Doctrine" and Washington's military intervention in the Near and Middle East. Zionist circles, despite temporary disagreements with the Carter Administration, are still the connecting link in American imperialism's alliance with the top Israeli leaders.

FOOTNOTES

1. L. I. Brezhnev, "Leninskim kursom" [Following Lenin's Course], vol 3, Moscow, 1972, p 219.

2. For a discussion of the alignment of forces in the U.S. Jewish community, see S. M. Rogov, "The American Jewish Community and Israel," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 8, 1978.

3. R. Howe and S. Trot, "Power Peddlers," N.Y., 1977, p 283.

4. The Baptists are considered to be one of the most anti-Semitic Protestant groups in the United States.

5. GUARDIAN, 28 January 1977.

6. COMMENTARY, June 1976, p 31.

7. THE WASHINGTON POST, 13 October 1976.

8. TIME, 21 June 1976, p 24.

9. Just as H. Kissinger, M. Blumenthal and J. Schlesinger emigrated from Germany to escape the persecution of Jews by the Nazis. In contrast to him, however, these two men converted to Christianity in the United States, and this has had a definite effect on their popularity in the Jewish community.

10. "American Jewish Yearbook 1979," N.Y., 1978, p 153.

11. JEWISH AFFAIRS, May-June 1979, p 3.

12. See the article by A. K. Kislov, "The Middle East and American Strategy," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 6, 1980.

13. THE WASHINGTON POST, 10 July 1977.

14. "American Jewish Yearbook 1979," p 145.

15. THE WASHINGTON POST, 3 November 1977.

16. A. Lilienthal, "The Zionist Connection," N.Y., 1978, p 692.

17. THE JERUSALEM POST, 30 May 1978.

18. B. Reich, "Quest for Peace," New Brunswick, 1978, p 324.

19. W. Quandt, "Decade of Decisions," Berkeley, 1977, pp 19, 20.

20. THE CHRISTIAN SCIENCE MONITOR, 5 October 1978.

21. THE JEWISH TELEGRAPH AGENCY DAILY BULLETIN, November 1979.

22. NEAR EAST REPORT, 19 March 1980, p 52.

23. JEWISH AFFAIRS, September-October 1979, p 3.

24. NEAR EAST REPORT, 9 April 1980.

25. MONDE DIPLOMATIQUE, March 1980.

26. NEAR EAST REPORT, 7 May 1980, p 86.

27. THE JERUSALEM POST, 18-24 May 1980.

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AMERICA'S FUTURE: VIEW FROM 4916 ST. ELMO AVENUE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 56-67

[Article by I. V. Bestuzhev-Lada]

[Not translated by JPRS]

CSO: 1803

THE 'NEW CONTINENTALISM' AS A VERSION OF U.S. FOREIGN POLICY DOCTRINE FOR THE EIGHTIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 68-73

[Article by A. A. Kokoshin]

[Text] The system of the Carter Administration's foreign policy priorities, which rests to a considerable extent on the ideas and beliefs of the Trilateral Commission,[1] has been subjected to sharp criticism within the U.S. political elite on the most diverse grounds, ranging from rightist conservative to relatively sober and moderate. Many politicians and experts on international affairs have pointed out either the inconsistency of these beliefs with the reality of international relations or the inability of the administration to act on these beliefs as a result of its internal weakness and the defects of contemporary American diplomacy.

The criticism of "trilateralism" has fairly deep domestic political roots in the United States. From the very beginning, a considerable segment of the ruling class regarded the Trilateral Commission as an insufficiently representative organization, in which the American side was dominated too much by representatives of individual monopolistic groups and the political elite of the U.S. East Coast. In particular, the heads of the gigantic energy monopolies, which are economically and politically connected primarily with the South (only the largest of the energy monopolies, Exxon, took part in financing Trilateral Commission activities in the initial stage), are virtually unrepresented in the commission. This goes a long way toward explaining the attacks that have been made on the "trilateral" concept by J. Connally, who is closely connected with Texas energy monopolies, R. Reagan, who relies to a considerable extent on the California monopolistic bourgeoisie, and several other prominent Republicans. The Trilateral Commission has become so unpopular and even odious in top Republican circles that one of the Republican Party contenders for the presidency who later became the party's vice-presidential candidate, G. Bush,[2] hurriedly turned down membership in this organization.

Although critics from the foreign policy establishment have cast doubts on various components of the Carter Administration's foreign policy line and its theoretical bases, they were long unable to propose an alternative foreign policy strategy that would arouse the interest of a considerable segment of ruling circles. It was not until the 1980 campaign that the suitable system of foreign policy priorities took shape. Its authorship has been ascribed to the closest advisers of Republican Party presidential candidate R. Reagan.

The system of U.S. foreign policy priorities proposed in the Republican Party platform as an alternative to the "trilateral" concepts (or "trilateralism"), as set forth by the ideologists of the Trilateral Commission, was given press coverage under the general title of the "new continentalism."

It cannot be said that this concept has already been thoroughly elucidated in special and mass publications. On the contrary, it must be judged primarily on the grounds of a few isolated articles and remarks in the American press, speeches by several prominent Republicans, Reagan's own speeches and the statements made by his foreign policy advisers.

Reagan's chief advisers on foreign policy, military policy and international economic matters are Richard Allen, who was R. Nixon's chief foreign policy assistant in 1968 and 1969 (and was later quickly relegated to the background by H. Kissinger), and William Casey (member of the Committee on the Present Danger), who was the chairman of the Securities and Exchange Commission, under secretary of state for economic affairs and president of the U.S. Export-Import Bank under the Nixon Administration. The influential foreign policy experts who are members of Reagan's policymaking council include former Secretary of State (under Nixon) William Rogers, the Ford Administration's former Secretary of Defense Donald Rumsfeld, and former Secretary of the Treasury (under G. Ford) and prominent businessman William Simon--co-chairman of the rightist-conservative Coalition for Peace from a Position of Strength.

Several advisory groups on foreign and military policy, consisting almost exclusively of advocates of a rigid and forceful approach to international problems, many of whom are members of the Committee on the Present Danger and other organizations of this type, have been serving R. Reagan since 20 April 1980 under R. Allen's supervision. Most of the members of these groups represent such conservative and rightist research centers as the Hoover Institute of War, Revolution and Peace, Georgetown University's Center for Strategic and International Studies, the University of Miami's International Research Institute, the Philadelphia Institute of Foreign Policy Research, the American Strategic Institute and others.

The "new continentalists" have refuted many of the tenets of the Trilateral Commission and object to the assignment of priority to relations within the U.S.-Western Europe-Japan "triangle" in the system of American alliances. In their opinion, relations in the Western Hemisphere should be the focal point of the policy of strengthening American influence in the world in the face of the notorious "Soviet threat." In particular, they have proposed the creation of a "North American Common Market," with the United States, Canada and Mexico participating, as well as some other countries of this region. In this connection they not only advise the quicker development of relations with Canada and the countries of Central and South America and the Caribbean, but have also advocated the restoration of the dominant economic, political, ideological and military influence of the United States here, as this nation has lost much of its influence in this zone in recent years.

Voices have been heard, coming from the camp of the "new continentalists," demanding that Mexico give American multinational monopolies access to its abundant oil resources[3] and that it supply the United States with as much oil as it needs. This is supposed to decrease U.S. dependence on imported oil from the Middle East, where

the United States, according to the "new continentalists," is incapable of ensuring the "security" of oil production and oil shipments.[4]

The restoration of American imperialism's influence in the Western Hemisphere within the framework of such constructs also presupposes tougher U.S. policy toward Cuba and the countries in this zone which are expanding contacts with Cuba. In one of his speeches in early 1980, R. Reagan called for a total blockade of Cuba in response to the Soviet assistance of the government of the Democratic Republic of Afghanistan. He also announced that if he were elected President, he would "return the Panama Canal" to the United States, as this canal was supposedly "conceded" to Panama by the Carter Administration. Reagan was unable, however, to say how he intended to accomplish the "return" of the canal.

The pronounced emphasis on strengthening U.S. influence in the Western Hemisphere does not mean, however, that the "new continentalists" have abandoned plans for expansion in other directions. They have advised American monopolies to accelerate their penetration of the particular Asian and Pacific zones, as the CHRISTIAN SCIENCE MONITOR reported on 17 April, in which Japanese monopolies have not seized the dominant position as yet.

What are the assumptions on which the "new continentalists" are basing their recommendations regarding the new system of U.S. foreign policy priorities?

A central place in their assessment of tendencies in world development is occupied by the belief that the economic and, to a significant degree, political interests of the United States are diverging more and more from the interests of Japan and Western Europe. For example, one of J. Connally's closest associates, J. Wotton, stressed that Western Europe now has almost as much trade with the Soviet Union as the United States, and that Japan is acquiring more and more of the raw materials it needs from Siberia. He concluded that they are no longer reliable partners because they are striving to conduct their own, independent foreign policy line. However, the constructs of the "new continentalists" usually ignore the existence of huge American capital investments in Western Europe, as well as the phenomenon of the rapid growth of Western European and Japanese investments in the United States, which is increasing the economic interdependence of the three main "power centers" in the capitalist world.

The "new continentalists" also believe that the almost totally disintegrated international currency and finance system of capitalism, based on the hegemony of the dollar, is not likely to be replaced by a new system controlled by the International Monetary Fund, in which the dollar will be replaced by a fundamentally different international currency (so-called "special drawing rights"), but by the formation of three closed currency and finance blocs with their centers in the United States, Western Europe and Japan.

The anti-European and anti-Japanese attitudes of the "new continentalists" became particularly pronounced in connection with the stand taken by the leaders of the major Western European countries in regard to the Iranian-American crisis, the events in Afghanistan, the future of detente, and relations with the socialist countries. An important role is played by economic factors: The increasing competition faced by American goods in world capitalist trade from Japanese and Western European monopolies and their accelerated penetration of the domestic American

market in the late 1970's. For example, in the 1960's and 1970's Japanese monopolies gained firm positions in the American textile, steel and color TV markets, by the beginning of the 1980's these monopolies had considerably increased their exports of compact economy cars to the United States, as well as exports of semiconductor systems in radio engineering and electronics, thereby arousing the extreme displeasure of American monopolists in these industries. This has been the cause of particular irritation.

Anti-Japanese feelings in the United States became quite strong in mid-1980, when a crisis began in the automotive industry, which accounts for up to 7 percent of the U.S. gross national product. To a significant extent, these feelings engulfed the workers of the automotive industry, who suffered mass lay-offs, almost unprecedented in U.S. postwar history, as a result of the crisis. In Republican circles these feelings have been even more clearly negative than in the Carter Administration, which has often criticized the United States' main allies for their reluctance to stay completely within the bounds of American "crisis diplomacy."

In spite of all the differences of opinion regarding the importance of individual countries in the capitalist world, however, the central issue for the "new continentalists" is still the question of policy toward the Soviet Union. The projected "North American Common Market" is viewed largely as a new coalition against "Soviet expansion." In the eyes of the majority of "new continentalists," the USSR is the chief and immediate cause of the main international trends that are weakening the position of the United States and the entire Western world. They hope to prevent the further spread of Soviet political influence in the world primarily by means of forceful military policy, which will require that the United States engage in even more substantial military efforts than those made by the Carter Administration. In accordance with this, many Republican leaders and ideologists are demanding an annual real increase of 10 percent in military spending instead of the 5 percent planned by the Democratic Administration.

In a speech in summer 1980, R. Allen, Reagan's chief adviser on national security, stressed that if the Republican candidate should win the election, he intends to considerably increase military spending even in comparison to the plans of the Carter Administration, assigning priority to higher salaries for military and civilian personnel, and not to the purchase of additional military equipment, which does not agree with some earlier statements by R. Reagan and his advisers. Allen also tried to convince his audience that a Republican President would not involve the Soviet Union in an exhausting arms race and escalation of military spending (on the basis of previous statements by R. Reagan and his assistants, many American correspondents believed this to be one of the principal aims of this political group). At the same time, he did not deny the fact that Reagan's advisers included many supporters of "competition with the Russians in military spending" if, as he put it, "Moscow refuses to impose realistic limitations on the production and deployment of weapons."

In connection with this, one of the main advisers of the Republican Party's candidate for the White House seat had to admit that these people's idea of the "realistic limitations" which the Soviet Union would have to observe in the military sphere essentially differ little from the views of frank advocates of attempts to gain unilateral military advantages for the United States. They have appealed for the repudiation of strategic parity with the USSR and for the achievement of "strategic superiority."

In reference to these appeals, R. Reagan said, as the WASHINGTON POST reported on 19 June, that he had not yet decided if the United States should strive for nuclear "superiority" or if the preservation of parity would be enough. In the Republican Party platform adopted at the convention in Detroit on 14-19 July, however, the objective is clearly spelled out: to ensure that the United States is militarily superior to the USSR.

Many Republican leaders favor the acceleration of the new "MX" mobile intercontinental ballistic missile program, the development of a new manned strategic bomber (or the qualitative modernization of the FB-111) and the intensification of the programs for the deployment of new American nuclear missiles in Western Europe. They are criticizing J. Carter for being too "indecisive" regarding the development of new strategic weapons and, in particular, for his refusal to produce the B-1 bomber. They also oppose the ratification of the SALT II treaty signed in Vienna in 1979 in the belief that the United States, as they put it, "gave in too much" to the Soviet side in this treaty.

There are differences in the positions of "new continentalists" in regard to the prospects of American-Chinese relations. For example, the need to focus Washington's China policy on the Taiwan regime rather than on Beijing is clearly stressed in a work by one of the prominent representatives of this political current, Director W. Kintner of the Philadelphia Institute of Foreign Policy Studies. The same stand has been taken by one of the heads of the Georgetown Center for International and Strategic Studies, former Assistant Director of the CIA R. Cline, as well as several of the other American experts who have rallied round Reagan.

Reagan himself said at the beginning of 1980 that he was in favor of restoring diplomatic relations with Taiwan and of expanding military, economic and political ties with this regime. Just before the Republican Party convention, however, he denied these intentions; as CHRISTIAN SCIENCE MONITOR correspondent J. Harsch wrote on 18 July in an article on the future of U.S. foreign policy, when Reagan was on his way to Detroit he announced that he "would not change U.S. policy toward China."

There is almost no doubt that the ideas of "new continentalism" will be utilized in U.S. foreign policy in one form or another if a Republican Administration should take power. Even if the Democratic candidate should win, however, these ideas cannot be agreed because they will constitute the basis of the opposition's foreign policy platform, particularly when we consider the fact that many of the ideas of rightist and right-of-center Republicans fit in quite well with what the Carter Administration tried to do in the spirit of anti-Sovietism and cold war.

Many elements of the concept of "new continentalism"--despite all of their extremely hypothetical "novelty"--now look quite appealing to the ruling class and political elite because they seem to provide more precisely defined guidelines for U.S. behavior in the international arena at a time of declining American prestige.

It is probable that some time will elapse before the advocates of this approach to U.S. foreign policy goals and objectives become fully aware of the complete futility of attempts to return to the international positions enjoyed by the United States in the late 1940's and the early 1950's and before they finally realize the counterproductivity and increasing danger of escalating the arms race, aspiring to

"absolute hegemony" in the Western Hemisphere and so forth. The foreign policy establishment will once again have to face the problem of developing more realistic beliefs about the place and role of the United States in the world, about the system of foreign policy priorities and about the actual scales and strength of the material and ideological resources on which the nation's foreign policy rests.

FOOTNOTES

1. For more about the Trilateral Commission, see, for example, V. A. Matveyev, "The Trilateral Strategy and Its Evolution," MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 3, 1977; N. D. Turkatenko, "The Origins and Goals of the 'Trilateral Strategy,'" SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1977; G. A. Vorontsov, "The Trilateral Commission: Theory and Practice," VOPROSY ISTORII, No 4, 1979.

2. George Bush, a millionaire and prominent member of the Republican establishment who has extensive political ties in the South (in Texas) and the Northeast (he was chairman of the Republican Party National Committee, the head of the liaison group in Beijing, the director of the CIA, etc.), was personally invited to join the Trilateral Commission by its founder--Chase Manhattan Bank Chairman of the Board D. Rockefeller, who was trying to give this organization a supra-party nature.

3. In a talk with renowned American journalist J. Reston, Mexican President Lopez Portillo had this to say about the matter: "I do not view the development of Mexican oil resources as one of the tasks involved in satisfying the U.S. demand for oil. I am approaching the matter from the standpoint of our own national development. Mexico hopes to develop its oil reserves with consideration for its own national interests. We regard this as one way of creating permanent reserves."

4. According to some American estimates, Mexico could completely replace Saudi Arabia as a supplier of oil and gas to the United States by the end of the 1980's. Ever since the Iranian revolution, Saudi Arabia has been regarded as an increasingly unreliable partner from the standpoint of "internal stability."

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ESTIMATING U.S. ORE POTENTIAL

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 74-84

[Article by Ye. N. Kondrashov]

[Not translated by JPRS]

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LIGHT FREIGHT VANS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 85-93

[Article by M. V. Tveritnev]

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THE CHICKEN BROILER INDUSTRY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 94-100

[Article by V. F. Lishchenko]

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BOOK REVIEWS

American Parties and Elections

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 101-104

[Review by A. F. Gorelova and V. A. Savel'yev of the books "The Pursuit of Happiness. Government and Politics in America" by J. Moore, Jr. and M. Roberts, New York, Macmillan Publishing Co., Inc., 1978, 356 pages, and "Parties in Crisis. Party Politics in America" by R. Scott and R. Hrebenar, New York, John Wiley and Sons, 1979, VII + 311 pages]

[Not translated by JPRS]

Narcissism in America

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 104-106

[Review by V. P. Shestakov of the book "The Culture of Narcissism. American Life in an Age of Diminishing Expectations" by Christopher Lash, New York, Warner Books and W. N. Norton and Company 1979, 447 pages]

[Not translated by JPRS]

Inter-Ethnic Relations in Canada

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 107-109

[Review by Ye. A. Shchukina of the book "Two Nations, Many Cultures. Ethnic Groups in Canada," edited by Jean L. Elliott, Scarborough, Ontario, Prentice-Hall of Canada, 1979, 395 pages]

[Not translated by JPRS]

Invisible Arsenal of Trade Wars

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 109-110

[Review by I. D. Ivanov of the book "'Nevidimyy' arsenal torgovoy voyny" by N. N. Liventsev, Moscow, Mezhdunarodnyye otnosheniya, 1980, 216 pages]

[Not translated by JPRS]

American Economic Problems and Contradictions

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 110-111

[Review by I. N. Mosin of the book "Problemy i protivorechiya amerikanskoy ekonomiki," edited by Ye. S. Shershnev, Moscow, Nauka, 1978, 615 pages]

[Not translated by JPRS]

Past Experience in Solving the Problem of European Security

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 p 112

[Review by A. B. Pisarev of the book "Problema yevropeyskoy bezopasnosti: istoricheskiy opyt yeye resheniya. 1917-1977" by Yu. N. Rakhmaninov, Moscow, 1979, 350 pages]

[Not translated by JPRS]

South Korea--Imperialist Base in the Far East

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 p 112

[Review by Ye. P. Sevast'yanov of the book "Yuzhnaya Koreya--baza imperializma na Dal'nem Vostoke" by V. A. Marinov and A. V. Torkunov, Moscow, Mezhdunarodnyye otnosheniya, 1979, 136 pages]

[Not translated by JPRS]

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INDEPENDENT CANDIDATE JOHN ANDERSON

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 113-118

[Article by V. P. Savchenko]

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AMERICAN CATHOLICISM AND THE VATICAN

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 119-125

[Article by S. B. Filatov]

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CHRONICLE OF SOVIET-AMERICAN RELATIONS (JUNE-AUGUST 1980)

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 80 pp 126-127

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